

# STATEMENT ON GOOD CORPORATE GOVERNANCE

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At Cencosud, we work daily with passion, respect, transparency, and trust to improve our clients' quality of life through a unique, sustainable, and inimitable experience through our products and services. Our Sustainability Strategy and Business Model, based on the principles of a Sustainable Supply Chain, Production, and Consumption, seeks to lead our different Business Units towards the transformation of the organization into a sustainable business.

It is based on this challenge and with the objective of being consistent in regards to Transparency, Integrity, Good Governance and compliance with National Law that we give our Statement on Good Corporate Governance, which explains our work on this subject according to the following 8 categories of action.

## 1. Code of Conduct

The Code of Ethics, widely publicized within the Company, reflects the manner in which things are done at Cencosud. It states the commitments that guide our work and is an essential part of Company culture. For every decision we make, we must think about how to strengthen the bond of trust with our clients and stakeholders. Details do matter, and we must earn the consumers' trust every day. Given the role and functions performed by Cencosud, it is essential to adhere to the principles listed in the Code of Ethics, and to use the resources available to us to address concerns. Reputation is a constantly evolving process, and it is created in the relationships we have with our stakeholders. Cencosud builds long-term relationships with its stakeholders.

It is for this reason that Cencosud implemented a corporate Code of Ethics in 2010, which was devised based on five key aspects, and which describes the conducts expected of all actors, as well as their commercial background. This document is the cornerstone that defines the Company's principles, culture and values, and serves as a guide on internal coexistence, stating the expected behaviors in our relationships with customers, suppliers and collaborators, protection of Company assets, and protection of corporate data.

The scope of the Code of Ethics encompasses directors and all collaborators of companies and divisions over which Cencosud has control or majority shareholding. It is the responsibility of each of them to respect, understand and strictly adhere to the entirety of its contents. The five key aspects in the Code of Ethics are listed below:



## Relationship with customers

Full customer satisfaction is the main drive of Cencosud. To this end, we aim to provide excellent service and offer products with a good price-quality ratio through the following principles, practices and procedures:

- Respect, transparency, dignity and equality in our relationships with customers;
- Compliance with the law regarding hygiene and safety in the manufacturing process;
- Addressing the needs and complaints of our customers, which must be processed and answered in a timely manner;
- Cencosud collaborators do not accept gifts or rewards from customers;
- Under no circumstance is misleading advertising or promotion to be used in the commercialization of products and services;
- Respecting our customers' privacy and protecting any and all information they entrust to us.

## Relationship with suppliers

As retail industry leader, the Company has a great responsibility to its suppliers, who are guaranteed fair and equitable treatment to promote mutually beneficial relationships through the following principles, practices and procedures:

- It is not allowed to receive gifts, presents and incentives from suppliers, and under no circumstance are commission or payments from suppliers allowed;
- Fair and just assessment of suppliers which prioritizes integrity, business reputation, deadline compliance, among other conditions;
- Not taking part in any business decisions when there may be a conflict of interest;
- It is expressly forbidden to recommend or request jobs from suppliers for family or friends;
- Compliance with working conditions in terms of health and safety by providers.

## Relationship with collaborators

The fundamental pillar of Cencosud are our collaborators, who, through their hard work, make this Company a leader through the following principles:

- Respect and dignity;
- Safe and healthy environment;
- Respect for worker rights;
- Confidentiality of collaborators' personal information;
- Personal relationships;
- Respect for the community and environment.



## Protection of information

Corporate information is one of Cencosud's most valuable assets, which is why the Company ensures careful, responsible and objective handling through the following principles, practices and procedures:

- Respect and care in the disclosure of information;
- Confidentiality of information;
- Responsible use of the information within the Company;
- Use of privileged information;
- External communication;
- Commitment to free competition.

## Protection of Company assets


All Company collaborators are responsible for giving a good use to the assets involved in their operations. Assets are provided so that they can perform their duties in an effective and efficient manner, under the premise that they are responsible and that they will use assets according to the austerity criterion, through the following principles, practices and procedures:

- Integration of risk function;
- Compliance with protocols on fraud, theft and misappropriation;
- Use and protection of Company assets;
- Respect for trade secrets;
- Protection of and respect for Company practices regarding conflicts of interest;
- Compliance with donation policies;
- Compliance with policies on relationships with public servants;
- Compliance with policies on political activities;
- Compliance with policies on crime prevention.

As a complement to the Code of Ethics, Cencosud has implemented formal reporting channels, which collaborators can turn to in case they have questions or knowledge of breaches of the Code of Ethics. The company guarantees confidentiality in the reporting of incidents, and the channels are operated by an independent third party with international experience in the channeling of complaints.

Corporate Internal Audit Management is in charge of receiving, referring and following up on the complaints, and, depending on the case, investigating them. They also have the responsibility to inform the Ethics Committee if the severity of the case warrants it.

The Ethics Committee is responsible for knowing all breaches of the Code and the decisions made about them; making decisions on more complex cases, as determined by Corporate Internal Audit Management; and approving suggested modifications to the Code. This Committee consists of one Director, Corporate General Manager, Corporate Human Resources Manager, Corporate Internal Audit Manager, and Corporate Legal Manager, and can meet with a minimum of three members.



In close connection with the aforementioned, and particularly in connection with the administrative body, the Board of Directors of Cencosud S.A. has approved the Board of Directors Code of Conduct (or “Code” hereinafter, without distinction), which is in effect since 2013, and which is part of the records supplied to the new directors at the moment of their appointment, in accordance with the Company’s current Policy on the Induction of Directors.

The Code endorses the mission and value statements in the Cencosud Code of Ethics as guidelines for the Board of Directors. At the same time, it refers to the concept of Conflict of Interest acknowledged and complemented in the Code of Ethics. The main situations that may constitute a Conflict of Interest are listed in the Code of Ethics in paragraphs 3.4 and 4.1. The Code forbids directors from using businesses known to them by virtue of their position for their own or others’ advantage, being obliged to declare any instances that may lead to a potential conflict, having to do so in writing to the president and abstaining from participating in the decision-making process, in case they may be affected by a potential conflict of interest. This procedure is governed by paragraphs 4.3 and 4.4, and is also informed by the contents of Title XVI of Law 18.046.

Both the Board of Directors Code of Conduct and the Cencosud Code of Ethics are available to shareholders and the general public on the company’s website [www.cencosud.com/en/documentos-legales](http://www.cencosud.com/en/documentos-legales)

## 2. Conflicts of Interest


The Cencosud Code of Ethics states that “a conflict of interest arises in any instance where a Cencosud Group collaborator uses their contacts or position in the company to benefit their interests or those of their immediate family, businesses or personal finances,” also stating that “avoid all instances which can lead to or make it appear as though the Collaborator cannot perform their duties in an objective manner due to interests in opposition to those of CENCOSUD.”

Current and future Cencosud collaborators must confirm they received and read the Code of Ethics by signing a “Letter of Commitment.”

Also, they must inform any situations which may represent conflicts of interest with the Company through the “Conflicts of Interest Statement,” in accordance with the Code of Ethics.

At the same time, as stated in the Code of Ethics, it is the responsibility of each Collaborator to use their judgment and notify any potential conflicts during the “Confirmation” process through the “Conflicts of Interest Statement.”

In reference to the administrative body, the Board of Directors Code of Conduct (hereinafter “the Code”), subscribes to the Cencosud Code of Ethics and mandates that, upon their appointment, Directors must submit a Conflicts of Interest Statement listing any situations that may lead to or appear to be a conflict of interest with Cencosud. Additionally, they must submit a statement of compliance with the Code.



Both statements shall be recorded or documented by the Secretary of the Board in accordance with the Policy on Board Document Management.

As previously mentioned, and in addition to the Cencosud Code of Ethics, the Board of Directors Code of Conduct states that conflicts of interest include any circumstances, events or personal opinions that may interfere with a Director's ability to make objective decisions in the best interest of the company, also adding that the cases established in Law No. 18.046 on the Stock Market and Law No. 18.046 on Joint-Stock Companies shall also be understood as conflicts of interest, especially those between related parties.

With regards to the aforementioned, the Code is categorical in stating that "no Director is allowed to benefit themselves or others through commercial or business opportunities of which they learned in their role as Company Director. Opportunity or business opportunities are defined as any exclusive plans, projects, opportunities or offers made to the company for the purpose of gainful activity within the scope of its operations or complementary operations," while also stating the express obligation of each director to inform of any incidents which may create a potential conflict of interest, such as the existence of professional, commercial and/or consanguinity or affinity relationships with suppliers, direct competitors or customers of the company.

This statement shall be made in writing to the President of the Board or, alternatively, to the totality of Board members, as applicable. Without prejudice to the provisions of Title XVI of Law No. 18.046 on Joint-Stock Companies, any Directors affected by the existence of a conflict of interest shall abstain from participating in the decision-making process regarding said conflict.

### **3. Board of Directors**

As stated in Article 31 of Law 18.046, a joint-stock company is governed by a board of directors appointed by the shareholders' meeting. The articles of association of joint-stock companies shall establish an invariable number of directors. The renewal of the board shall be total and it shall be conducted at the end of its term in office. In the absence of an express provision in the articles of association, it shall be understood that the board shall be renewed every year.

The board of directors of a closed joint-stock company cannot consist of fewer than three directors, and, in the case of an open joint-stock company, fewer than five, and unless expressly stated in the articles of association, these minimums shall apply. Without prejudice to the aforementioned, if a joint-stock company must designate at least one independent director and constitute the committee referred to in article 50 bis, the minimum number of directors shall be seven.

Moreover, article 40 of the same law states that the board of directors of a joint-stock company shall represent the company judicially and extrajudicially and in the fulfillment of its corporate objects, which is not necessary to be proven to third parties, it possesses all the administrative and disposition faculties that the law of articles of association do not designate as exclusive to the shareholders' meeting, without the need to grant any special powers, even for acts or contracts for which the law requires them.



The above does not apply to the matter of manager representation, in accordance with article 49 of the present law.

The board of directors may delegate part of its powers to the chief executives, managers, assistant managers or corporate lawyers, one director or a committee of directors and, for especially determined purposes, other persons.

Cencosud S.A. is an open joint-stock company, as its shares are registered in the Securities Register of the Financial Market Commission, in accordance with the requirements stated in article 2 of law 18.046.

Its articles of association state that the company shall be governed by a Board of Directors consisting of nine members. The directors may or may not be shareholders, and can be reelected indefinitely. The Board of Directors shall have a three-year term of office.

Both article 83 of the Joint-Stock Society Regulations and the Cencosud S.A. articles of association state that the board of directors, in its first meeting after its appointment by the ordinary shareholders' meeting, shall elect one of its members as president, who shall also be president of the company. The specific functions of the President of the board are granted by the Law and the articles of association.

The Cencosud S.A. articles of association also state that "The President of the Board shall have, aside from the attributions and obligations imposed by law, the Joint-Stock Company Regulations and these articles, as well as the attributions and faculties conferred or delegated by the Board of Directors."

In view of the above, and in full compliance with the aforementioned regulations, the Cencosud S.A. board of directors, in the session held on July 30, 2021, elected Ms. Heike Paulmann Koepfer as president.

The Cencosud S.A. board of directors holds ordinary and extraordinary meetings. The former are held on a monthly basis, in accordance with article 81 of the Joint-Stock Company Regulations, and the latter are held as required by the needs of the company.

Without prejudice to the above mentioned, and to what will be stated later, we reiterate that since Cencosud S.A. is an Open Joint-Stock Company, the board of directors is its administrative body, as stated by the law as a public order regulation, and is therefore established as the head and lead administrative body of the Company. It is the board of directors that delegates part of its functions to General Management, constantly monitoring and overseeing the actions of the chief executives, as well as the main management areas. With regards to this, article 41 of law 18.046 states that directors must perform their duties as carefully and diligently as they would in their own businesses, and must be severally liable for any damages suffered by the company and the shareholders due to malicious or culpable behaviors.



The current Cencosud S.A. board of directors was appointed by the shareholders in an Ordinary Meeting, held on April 22, 2022. Its structure is available on the Financial Market Commission (CMF) website at the following link:

[https://www.cmfchile.cl/sitio/aplic/serdoc/ver\\_sgd.php?s567=03367db5000fbdefb9d7f26fb91b17f1VFdwQmVVMXFRVEJOUkVVeFRtcE5NVTEzUFQwPQ==&secuencia=-1&t=1657751340](https://www.cmfchile.cl/sitio/aplic/serdoc/ver_sgd.php?s567=03367db5000fbdefb9d7f26fb91b17f1VFdwQmVVMXFRVEJOUkVVeFRtcE5NVTEzUFQwPQ==&secuencia=-1&t=1657751340)

#### 4. Committees

##### Director Committee

In accordance with Chilean law, Cencosud S.A. has appointed a director committee. The main regulations regarding the director and independent director committee can be found in article 50 bis of law 18.046 on Joint-Stock Companies.

As stated in the aforementioned article, open joint-stock companies shall designate at least one independent director and the committee specified in this article (Director Committee) when they have a net asset value of 1,500,000 Unidades de Fomento (UF) or higher, and at least 12.5% of their issued voting shares are held by shareholders who individually control or own at least 10% of said shares.

In addition, and with regards to independent directors, it states that a person shall not be considered independent when they have, at any point within the last eighteen months, been in any of the following circumstances:

- 1) If they have maintained any links, interest, or economic, credit or business dependency of a significant nature and scale, with the company, other companies in the group to which it belongs, its controller, or the chief executives of any of them, or if they have been directors, managers, administrators, or chief executives or advisors of any of them;
- 2) If they have a relationship within the second degree of consanguinity or affinity with the persons mentioned above;
- 3) If they have been directors, managers, administrators or chief executives of nonprofit organizations which have received relevant contributions or donations from the persons mentioned in point 1);
- 4) If they have been partners or shareholders who have held or controlled, directly or indirectly, 10% or more of the capital; directors; managers or chief executives of entities which have provided legal or consulting services, or external audits, for significant amounts to the persons mentioned in point 1);
- 5) If they have been partners of shareholders who have held or controlled, directly or indirectly, 10% or more of the capital; directors; managers; administrators or chief executives of the main competitor, suppliers or customers of the company.

To be eligible as independent directors, the candidates shall be nominated by shareholders who represent 1% or more of the company shares, at least ten days in advance of the date set for the shareholders' meeting tasked with appointing the directors.

No less than two days before the meeting, the candidate and their respective alternate, if applicable, shall submit a sworn statement to the general manager stating that:

- i. they agree to be a candidate for independent director;*
- ii. the aforementioned circumstances do not apply to them;*
- iii. they have no link to the company, other companies in the group to which it belongs, its controller, or the chief executives of any of these, which may prevent a rational person from acting with a reasonable degree of autonomy, interfere with their chances of performing their duties objectively and effectively, create a potential conflict of interest or affect their independent judgment; and*
- iv. they are committed to remaining independent for the entirety of their time as director. Violations of point iii) shall not invalidate their appointment or suspend their functions, but it shall force them to be liable for any damages caused to the shareholders by their lack of honesty or failure to comply.*

With regards to the formation of the committee, the article states that the committee shall consist of three members, a majority of whom shall be independent. If there were more directors entitled to participate in the committee, as applicable, the directors themselves shall unanimously appoint the members at the first meeting of the board following the shareholders' meeting in which the appointment was made.

In view of the aforementioned, and in compliance with current laws, the Cencosud S.A. board of directors, in a meeting on April 29, 2022, appointed as members of the current Director Committee Messrs. Carlos Fernández Calatayud, Ignacio Pérez Alarcón, both as independent directors, and Mr. Felipe Larraín Bascuñán as non-independent director.

Independent director Carlos Fernández y Ignacio Pérez, along with the rest of the board members, were appointed in the Cencosud S.A. Ordinary Shareholders Meeting held on April 22, 2022. Both independent directors were nominated by shareholder AFP Provida S.A. within the period designated by legal and administrative regulations, and both made a sworn statement in which they accepted their nomination, stated the circumstances listed in point 1) to 5) of paragraph three of article 50 bis of law 18.046 are not applicable to them, and gave the statements described in paragraph five of the same article, in compliance with the requirements of national law.

The formation of both current and past Director Committees appointed by the Cencosud S.A. board of directors, as well as appointment and end dates, can be seen on the Financial Market Commission (CMF) website, at the following link:

<http://www.cmfchile.cl/institucional/mercados/entidad.php?mercado=V&rut=93834000&grupo=&tipoentidad=RVEMI&row=AAAwy2ACTAAABywAAO&vig=VI&control=svs&pestanía=48>



As stated in the aforementioned article 50 bis of law 18.046, the functions of the Director Committee are as follows:

- 1) To analyze reports by external auditors, the balance sheets and other financial statements presented by company administrators or liquidators to the shareholders, and issue opinions on these prior to their presentation to shareholders for approval.*
- 2) To propose names of external auditors and private risk managers, as applicable, who shall be presented to the corresponding shareholders' meeting. In case of disagreement, the board of directors shall present their own suggestion, and both shall be presented to the shareholders' meeting;*
- 3) To review the history of operations regarding Title XVI and deliver a report on these operations. A copy of the report shall be sent to the board of directors, which shall read it during the aforementioned meeting in order to approve or reject the corresponding operation;*
- 4) To review the remuneration systems and compensation plans for managers, chief executives and employees of the company;*
- 5) To produce an annual report on their management, which shall include their main recommendations for the shareholders;*
- 6) To inform the board of directors about the advisability of contracting or not an external auditing company to provide services which are not part of an external Audit, when they are not prohibited in accordance with the contents of article 242 of law No. 18.045, regarding whether or not the nature of said services can pose a risk of loss of independence;*
- 7) Any other matter stated in the articles of association, or delegated by the shareholders' meeting or the board of directors, as applicable.*

The Cencosud Director Committee meets periodically. Beside the functions it performs by legal mandate, we add that the Cencosud S.A. Director Committee meets with the representatives of the external auditing company in charge of auditing Financial Statements at least on a tri-monthly basis to analyze different matters, among which are the audit plan and the revision of annual and tri-monthly Financial Statements; receives reports from Corporate Risk Management, which is responsible for managing the Company's strategic risks and internal control (SOX) and is a dependent on Corporate Internal Audit Management; meets with the Head of Crime Prevention to know the progress made and the effectiveness of the Crime Prevention Model implemented by the company. At the same time, the Committee is aware of different matters of the company's interest.

It is important to note that the annual management report by the Cencosud S.A. Director Committee, which states the dates of the meetings held during this period and the main matters discussed, is made available to shareholders at the Ordinary Meeting, and is also available to both shareholders and the general public, as are the company reports, on the company website and the Financial Market Commission website.

<https://www.cmfchile.cl/institucional/mercados/entidad.php?mercado=V&rut=93834000&grupo=&tipoentidad=RVEMI&row=AAAwy2ACTAAABywAAO&vig=VI&control=svs&pestanía=49>



### **Ethics Committee**

The Ethics Committee is responsible for knowing all violations to the Code of Ethics and adopted resolutions; ruling on more complex reports, as determined by Corporate Internal Audit Management; and approving suggested modifications to the Code.

This Committee consists of at least one Director, Corporate General Manager, Corporate Human Resources Manager, Corporate Internal Audit Manager and Corporate Legal Manager, and may hold meeting with at least three members in attendance.

### **Security Committee**

The Security Committee is exclusively dedicated to tasks of definition and implementation of all measures and actions to prevent, detect and respond to internal and external cybersecurity threats and attacks. This Committee is headed by the Company CEO, and members include Corporate Systems Manager, five other executives and one member of the board of directors. Cencosud also has Cybersecurity Management, which work year-round to ensure the safety of Company data, protecting its confidentiality, integrity and availability. The Cybersecurity Committee holds regular meetings, where Cybersecurity Management and IT Governance & Compliance present the most relevant strategies and/or security concerns facing the industry. The Committee may hold meetings or be convened on demand, if necessary.

### **Finance Committee**

The Finance Committee is comprised of members of the board, the three directors members of the Director Committee, and the General Manager, Finance Manager, Investor Relations Manager, Controller and Accounting Manager also participate.

This Committee holds monthly meeting, and it deals with the following matters: Review of Financial Statements, Cash Flow, Capital Structure, Derivatives Transactions, and other specific proposals and operations.

## **5. Corporate Governance Model**

The objective of the Cencosud Corporate Governance Model is to ensure an efficient management in order to create value for all shareholders.

In this context, it is key for Cencosud to have good Corporate Governance. To this end, the Company view transparency and best practices as essential for protecting the interests of its shareholders and stakeholders.



Cencosud Corporate Governance includes different bodies, such as:

- Ordinary and extraordinary shareholders' meetings;
- Board of Directors;
- Director Committee;
- Senior Management;
- Executive Committees.

The Shareholders' Meeting congregates all Cencosud shareholders, who, together, elect and appoint a Board of Directors to lead the Company. The Board of Directors is the leading manager and main governing body of the Company. It delegates part of its Powers to General Management, exercising constant monitoring and oversight over the actions of the chief executives of the company, as well as the main management areas. Finally, the executive team has various committees to help with the daily management of the Company.

### Ordinary and extraordinary shareholders' meetings

The Shareholders' Meeting is the instance where company shareholders meet, and can be classified as Ordinary and Extraordinary.

As stated in article 55 of law 18.046 on joint-stock societies, ordinary Shareholders' Meetings shall be held once a year, within a fixed period stated in the articles of association, in order to decide on matters of their concern, without the need to include these in the notice of this meeting. Article 56 of the present law states that matters concerning the ordinary meetings are:

- 1) Analysis of the state of the company and the reports by account inspectors and external auditors, and approval or rejection of the annual report and financial statements presented by company administrators or liquidators;
- 2) Distribution of the profits of each fiscal year and, especially, distribution of dividends;
- 3) Election or revocation of members and alternate members of the board of directors, liquidators and overseers of the administration; and
- 4) In general, any matters of company interest outside the scope of an extraordinary meeting.

For its part, the aforementioned article 55 states that Extraordinary Shareholders' Meetings may be held at any time, according to the needs of the company, to decide on any matters known to the shareholders' meeting through the law or the articles of association, and as long as those matters are indicated in the meeting notice.

The matters concerning this type of shareholders' meeting can be found in article 57 of law 18.046, which states the following: Matters concerning the Extraordinary Meeting are:

- 1) Dissolution of the company;
- 2) Transformation, mergers or division to the company and amendments to its bylaws;
- 3) Issuance of bonuses or debentures convertible into shares;

- 4) Disposal of company assets in accordance with point No. 9 of article 67;
- 5) The granting of collateral and personal guarantees to cover the obligations of third parties, except when these parties are affiliated companies, in which case the approval of the board of directors shall suffice; and
- 6) Any matters that are of the concern or competency of the shareholders' meetings by law or bylaws. The matters mentioned in points 1), 2), 3) and 4) may only be agreed to in a meeting held before a notary public, who shall certify that the minutes are a faithful reflection of the events and agreements of the meeting.

The last Cencosud S.A. Ordinary Shareholders' Meeting was held on April 22, 2022. The matters discussed in this meeting were:

- a) Analysis of the state of the Company and of the reports by the external auditing company, and the approval of the annual report, financial statements of the fiscal year as of December 31, 2021, and the report by the external auditing company of the same fiscal period;
- b) Distribution of profits of the 2021 fiscal year and distribution of dividends;
- c) Election of the board of directors of the Company;
- d) Setting remuneration for Directors;
- e) Setting remuneration for members of the Director Committee and their advisers, and allocating budget for operating costs;
- f) Report on Board of Directors and Director Committee expenses;
- g) Designation of external auditing company for the year 2022;
- h) Designation of Risk Managers for the year 2022;
- i) Disclose matters discussed by the Director Committee, activities performed, annual management report, and any proposals rejected by the Board of Directors, as well as agreements reached by the Board of Directors to approve operations with related parties;
- j) Disclose opposition by Directors recorded on the board of directors' minutes book;
- k) Designation of Newspaper in which company publications shall appear; and
- l) In general, any matters of company interest outside the scope of the Extraordinary Shareholders' Meeting.

The last Cencosud S.A. Extraordinary Shareholders' Meeting was held on October 8, 2021, and the matters discussed were:

- a) Approval of distribution and payment of an eventual dividend, at the expense of the profits of previous years;
- b) Disclosing agreements reached by the Board of directors to approve an operation with a related party;
- c) In general, pass any other resolutions that are necessary or convenient for the full and faithful compliance with the realization of the agreements reached by the Extraordinary Shareholders' Meeting.

The minutes of the Ordinary and Extraordinary Shareholders' Meetings held by the company are available on the Financial Market Commission (CMF) website, at the following links:

Ordinary Shareholders' Meetings:

[https://www.cmfchile.cl/institucional/mercados/entidad.php?mercado=V&rut=93834000&grupo=&tipoentidad=RVEMI&row=AAAwy2ACTAAABywAAO&vig=VI&control=svs&pestanía=78&tipo\\_junta=O&tipo\\_documento=A](https://www.cmfchile.cl/institucional/mercados/entidad.php?mercado=V&rut=93834000&grupo=&tipoentidad=RVEMI&row=AAAwy2ACTAAABywAAO&vig=VI&control=svs&pestanía=78&tipo_junta=O&tipo_documento=A)

Extraordinary Shareholders' Meetings:

[https://www.cmfchile.cl/institucional/mercados/entidad.php?mercado=V&rut=93834000&grupo=&tipoentidad=RVEMI&row=AAAwy2ACTAAABywAAO&vig=VI&control=svs&pestanía=79&tipo\\_junta=E&tipo\\_documento=A](https://www.cmfchile.cl/institucional/mercados/entidad.php?mercado=V&rut=93834000&grupo=&tipoentidad=RVEMI&row=AAAwy2ACTAAABywAAO&vig=VI&control=svs&pestanía=79&tipo_junta=E&tipo_documento=A)

## Senior Management

The organization of Cencosud's Senior Management is a hierarchical structure led by the Corporate General Manager, along with the chief executives of the company, who have the responsibility of managing company operations in accordance with the guidelines determined by the Board of Directors.

Therefore, the board of directors delegates part of its Powers to General Management, exercising constant monitoring and oversight on the actions of the chief executives of the company, as well as its main management areas.

## 6. Remunerations

The Cencosud S.A. bylaws state that the Board of Directors shall receive remuneration. For its part, law 18.046, article 33, states that the amount of the directors' remunerations shall be set annually by the Shareholders' Meeting.

In this sense, the Directors' remuneration for the 2022 period was set in the Ordinary Shareholders' Meeting held on April 22, 2022. The amount set was 330 Unidades de Fomento a month for those who hold the position of Director. In the case of the President, their remuneration is double that sum.

The amount for the remuneration of Directors and the President of the Board is proposed to the shareholders and subject to their approval in the respective Meeting, taking into consideration the work, responsibilities and management of Directors, as well as the market conditions.

The amounts regarding the remuneration of directors throughout the years are published in the annual Company report.



The 2021 annual company report can be found at the following link, which includes the aforementioned information in page 52:

[https://www.cmfchile.cl/sitio/aplic/serdoc/ver\\_sgd.php?s567=07a9c5ba60f082182020e5d8a5ff7ecbVFdwQmVVMXFRVEJOUkVWNIRtcHJkMDICUFQwPQ==&secuencia=0](https://www.cmfchile.cl/sitio/aplic/serdoc/ver_sgd.php?s567=07a9c5ba60f082182020e5d8a5ff7ecbVFdwQmVVMXFRVEJOUkVWNIRtcHJkMDICUFQwPQ==&secuencia=0)

## 7. Appointment of Directors

As previously stated, the election of the board of directors is the responsibility of the Shareholders' Meeting, as stated in article 31 of law 18.046.

As stated in the Cencosud S.A. articles of association, the directors' term of office is 3 years. For its part, article 31 of law 18.046 also states that the renewal of the board of directors shall be total and must take place at the end of its administration, which shall not exceed three years.


Moreover, article 44 of law 18.046 states that, if there should be a vacancy in the position of director or alternate director, as applicable, a total renewal of the board of directors must take place at the next shareholders' meeting held by the company, and, in the meantime, the board of directors can appoint a replacement.

The Cencosud S.A. articles of association do not address the existence of alternate directors, which is why the board of directors must be renewed when the three-year period designated by the articles of association comes to an end, or when there is a vacancy in the position of director, among others.

It is necessary to note that, according to article 1 of law 18.046, the position of member of the board is essentially revocable, and this revocability, as previously stated, must be total, the shareholders' meeting cannot revoke the position of certain directors, but the totality of them. With that in mind, the shareholders, through the Shareholders' Meeting, can always revoke the current board of directors and appoint new members.

Taking into consideration that, as previously stated, grounds for electing a new board of directors may vary, and that it is the responsibility of the Shareholders' Meeting to appoint new members, we will delve into the process of nomination and election of directors below.

As stated in article 72 of the Joint-Stock Company Regulations, shareholders may nominate candidates for directors in advance, in compliance with the manner and conditions stated in the following articles, which shall be put to a vote at the shareholders' meeting. If, at the moment of the vote, the number of candidates is lower than the number of positions to be filled, the president of the board may nominate as many candidates as necessary to reach the required number. If the company were to have alternate directors, the nominations for the position of director must be pair the candidate for director and their corresponding alternate.



For its part, article 73 of the same law states that the general manager must inform shareholders, through any means deemed appropriate, and on their website, if one exists, of the list of candidates for director who, as applicable, have accepted their nomination and declared to be eligible to hold the position, at least two days prior to the meeting. If it is not possible to present the list to the shareholders in advance, making the list available to the shareholders at the start of the meeting shall suffice. Candidates may be added to the list even during the meeting, if the person nominating presents a document stating that the candidate accepts the nomination and declaring that they are eligible to hold the position.

With regards to the eligibility for the position of director mentioned in the previous article, article 35 of law 18.046 states that people who cannot be directors of a joint-stock company are:

- 1) Minors;
- 2) Persons affected by the revocation referred to in article 77 of this law;
- 3) Persons convicted of criminal acts or who are permanently disqualified from holding public positions, and person who are undischarged bankrupts personally or as administrators or legal representatives, or who have been convicted of bankruptcy crimes established in the Penal Code;
- 4) Public and semi-public servants, employees of State companies or bodies, and of autonomous administration companies to which the State gives contributions or in which it has representatives, in relation with the entities on which said employees exercise, directly and in accordance with the law, functions of oversight or control.

Persons who become employees of the aforementioned public organizations or companies shall be automatically removed from the position of director at an audited or controlled entity.

Cencosud S.A. being an open joint-stock company, we must also take into consideration the specific ineligibility criteria stated in the law for this type of company. Article 36 of law 18.046 states: In addition to the cases mentioned in the previous article, those ineligible for the position of director of an open joint-stock society or its subsidiaries are:

- 1) Senators, legislators and mayors;
- 2) Ministers of the State, undersecretaries, intendants, governors, regional ministry secretaries and ambassadors, heads of service and the direct superiors which must subrogate each of them, with the exception of the position of director of an open joint-stock company in which the State, in accordance with the law, must have representatives in the administration, or be a majority shareholder, directly or indirectly, thought autonomous administrative bodies, public and semi-public companies, autonomous administration companies, or those in which the state is a majority shareholder;
- 3) Employees of the superintendencies which oversee the respective company or one or more of the companies in the group to which the belongs; and
- 4) Stockbrokers and security dealers, as well as their directors, managers, chief executives and administrators. This restriction shall not be applied to stock exchanges.

In view of the aforementioned, we establish that, as prescribed by the current law, shareholders may nominate as candidates for company directors any person who give a statement accepting their nomination and declaring to fulfill the legal requirements for the position.

This is without prejudice to that stated in point 4 with regards to candidates for independent director.

*With regards to this matter, the Cencosud S.A. Board of Directors has approved a policy and procedure regarding the "Nomination and Election of Directors," which is in effect since 2013.*

This policy is within the legal framework previously described, and its objective is to establish a policy and procedure which will enable shareholders to know, at least ten days prior to the pertinent Shareholders' Meeting, the professional experience and profile of the candidates for Director who, until that moment, have provided this information to the company.

With regards to content, this policy and procedure state: In the event that the next Shareholders' Meeting must renew the Board of Directors, either because the term of office has expired or because the period immediately preceding the current one left a vacancy, the Corporate General Manager must present the shareholders, through any means deemed appropriate, and on the Cencosud website ([www.cencosud.com](http://www.cencosud.com)), with the list of director candidates who, as applicable, have accepted their nomination and declared to be eligible to hold this position. This information shall be delivered at least two days prior to the Meeting.

The aforementioned list of Director candidates shall contain, at least, the following information about each candidate: full name, ID number, professional profile and experience. This applies as long as the candidate provides this information in a timely manner, and, failing this, the list must reflect this information was not provided. For the previously stated purposes, Independent Director candidates must, at least two days prior to the Meeting, make available to the Corporate General Manager a sworn statement noting that:

- i. they accept the nomination for independent director;*
- ii. the circumstances listed in the points contained in article 50 Bis of Law No. 18.046 on Joint-Stock Companies do not apply to them;*
- iii. they have no relationship whatsoever with Cencosud, other companies in the group, its controller, or the chief executives of any of them, which may prevent a rational person from acting with a reasonable degree of autonomy, interfere with their chances of performing their duties objectively and effectively, create a potential conflict of interest or affect their independent judgment; and*
- iv. they make the commitment to remain independent for as long as they hold the position of Director.*





When informing the names of the candidates for independent Company directors, the Corporate General Manager shall include in this communication whether or not they fulfill the previously stated legal requirements. If it is not possible to present the list to the shareholders in advance, making it available to the shareholders at the start of the shareholders' meeting shall suffice. Candidates may be added to the list even during the meeting, if the person nominating presents a document stating that the candidate accepts the nomination and declaring that they are eligible to hold the position.

With regards to the election of directors, and in full compliance with local law (Article 66 of Law 18.046), the Cencosud S.A. articles of association state that the election of Directors shall take place at the pertinent General Ordinary Shareholders' Meeting. In the elections held at Shareholders' Meetings, each shareholder shall have one vote for each share held or represented, and votes may be accumulated in favor of a single person or distributed as the shareholder sees fit. Those who in a single election receive the majority of votes shall be elected as Directors, until the number of Directors is complete. However, by unanimous agreement of the shareholders with the right to vote, the election may be omitted and the totality of Director may be elected by acclamation.

## 8. Orientation

### Induction to the Board of Directors

The Board of Directors has approved an induction procedure for new directors joining the Company whose purpose is to give information regarding all matters of interest to them, meeting with the main Company managers and receiving a significant amount of relevant information. The process includes meetings with the Corporate General Manager, as well as with corporate and division managers, for the purpose of sharing general information about Cencosud, its history, financial situation, main businesses, risks, policies, general procedures, existing Corporate Governance practices, main accounting principles, and the most relevant legal framework applicable to the Company and the Board of Directors, including the Board of Directors Minutes Book where the agreements reached are recorded, as well as a meeting with the Corporate Legal Manager, who acts as Secretary of the Board. In addition, the following documents are provided:

- Last Annual Company Report;
- Last two annual Financial Statements for the Company with their corresponding reasoned analyses;
- Last annual budget;
- Minutes Books from Board meetings of the past 12 months;
- Cencosud Code of Ethics and Free Competition Manual;
- General Policy on typical operations;
- Policy on hiring advisers for the Board of Directors;
- Policy on Protection of Board Documents;
- Board of Directors' Code of Conduct;
- Regulatory Framework for information delivery;



- Information Management Manual;
- Procedure for evaluating delivery of information to the market;
- Procedure for the Induction of Directors and any other policies or procedures implemented by the Company which is deemed relevant by the Company for performing the duties of director.

