

CENCOSUD S.A.
Securities Registry Enrollment No. 743

INFORMATION REGARDING THE ADOPTION OF CORPORATE GOVERNANCE PRACTICES

Practice	Adoption	
	SI YES	NO NO
1. Regarding the operation of the Board of Directors		
A. Regarding the appropriate and timely information of the Board of Directors, about the business and risks of the company, as well as its main policies, controls and procedures.		
a) The Board has a procedure/mechanism for the induction of each new Director, through which they are informed about the company, its business, risks, policies, procedures, main accounting criteria, and the most relevant and applicable legal framework to the company and the Board.	X	
<p>Explanation: The Board of Directors of Cencosud has approved a procedure by which both the CEO, as well as the Corporate and Divisional Managers of the Company, within the timeframes indicated therein, must meet with the new Director in order to provide them with general information about the Company, its history, financial situation, main businesses, risks, policies, general procedures, existing corporate governance practices, main accounting criteria, and the most relevant and applicable legal framework to the Company and the Board. Along with this, the new Director must be provided with (i) the Company's latest Annual Report, (ii) the last two annual Financial Statements of the Company with their respective reasoned analyses, (iii) the latest annual budget, (iv) the minutes of the Board meetings of the last 12 months, (v) the Cencosud Code of Ethics, (vi) the current Free Competition Manual, (vii) the Crime Prevention Model applied in the Company, (viii) the Manual for Handling Market Interest Information, (ix) the General Policy for usual operations, (x) the Regulatory Framework for information delivery, (xi) the Policy for hiring Board Advisors, (xii) the Policy on minimum monthly time in the exercise of Director functions, (xiii) the Policy for the Safeguarding of Board Documentation, (xiv) the Board of Directors' Code of Conduct, (xv) the Procedure for the evaluation of information delivery to the market, (xvi) the Procedure for the Induction of Directors, and (xvii) any other Policy or Procedure adopted by the Company that it deems to be of interest to the Director for the exercise of their functions.</p>		
b) The Board of Directors has a policy for hiring specialist advisors in accounting, financial, and legal matters that, among other aspects, includes the allocation of a special and sufficient budget for these purposes. In addition, this policy is reviewed annually, based on the anticipated needs for it.	X	

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<p>Explanation: The Board of Directors of Cencosud has approved a policy that determines how it can hire specialist advisors in accounting, financial, and legal matters, among others. The hiring of a specialist advisor in the aforementioned matters will be agreed upon by the Board in the corresponding session, with due record of it in the minutes of that session, and it may delegate to an executive of the Company the direct hiring and setting of their fees. Likewise, in accordance with current legal norms, the Board of Directors reports the expenses incurred for these concepts at the Ordinary Shareholders' Meeting and in the Annual Report of the Company.</p>		
<p>c) The Board of Directors of Cencosud meets at least semi-annually with the external auditing firm in charge of auditing the financial statements to analyze:</p> <ul style="list-style-type: none"> i. The annual audit program or plan. ii. Potential differences detected in the audit regarding accounting practices, administrative systems, and internal audit. iii. Any serious deficiencies that may have been detected and those irregular situations that, due to their nature, must be communicated to the competent supervisory bodies. iv. The results of the annual audit program. v. Possible conflicts of interest that may exist in the relationship with the auditing firm or its staff, both due to the provision of other services to the company or the companies of its business group, as well as other situations. <p>However, the matters that are analyzed in board sessions without the presence of managers or main executives should be explained.</p>	<p>X</p>	
<p>Explanation: The Board of Directors of Cencosud or its Directors' Committee meets at least semi-annually with the representatives of the external auditing firm in charge of auditing the Financial Statements to analyze aspects related to what is suggested in the standard. In the respective sessions, various aspects suggested by the regulations as corporate governance practice are analyzed, among other matters. The topics addressed include most of the matters to be analyzed suggested by this practice. Historically, the entity that has met permanently with the External Audit firm has been the Society's Board of Directors, which in turn, informs the Board in the respective session of the relevant aspects of that meeting. The CEO and some of the Main Executives of Cencosud permanently participate in the meetings.</p>		

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B. Of the proper functioning of the board and its continuity in the absence of one or more of its members.		
a) The Board of Directors has an established procedure to detect and implement potential improvements in the functioning of the Board as a whole, and this process is carried out at least once a year by a person or entity outside the Company.		X
<p>Explanation: Given the experience of the members that make up the Cencosud Board of Directors and its proper functioning throughout its history, with full adherence to the duties of diligence and legal regulations that govern it, Cencosud has not seen the need to dictate a specific procedure of the characteristics proposed in the regulations. Notwithstanding this, the Board, in its constant interest in having the best tools for the performance of its functions, is constantly open and attentive to improving its operating standards.</p>		
b) The Board of Directors has established a policy whereby it proposes to the directors the minimum monthly time, which in its opinion, it is desirable that each director should dedicate exclusively to the fulfillment of that role in the Company, in attention to its particular characteristics. However, it should be indicated whether or not this policy is available to shareholders and the general public.	X	
<p>Explanation: The Board of Directors of Cencosud has approved a Policy that establishes that the time each Director should devote to his or her function depends on his or her particular situation, experience, training, knowledge of the business, etc. However, the policy itself states that it is expected that each Director will devote exclusively to the performance of his or her role all the time necessary for the proper and diligent fulfillment of his or her duties as Director, including especially the preparation and attendance at Board meetings. This same policy recognizes the importance of continuous and regular attendance at the respective sessions of Boards or committees in which they are part, which is recognized by the active participation of the Directors, both in the respective sessions of the Board, Committees, and permanent meetings with the management teams. It also establishes that if a Director does not attend a session, he or she must be informed of the progress of the company by the CEO. This policy is available to shareholders and the general public through the Cencosud website.</p>		

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<p>c) The Board of Directors has a mechanism/procedure to properly document the foundations, elements and other information of the Company that have been taken into account or are being considered to adopt the various Board agreements, in order to prevent the normal and timely decision-making of the same from being affected as a result of the replacement, incapacity, absence or resignation of one or more of its members.</p>	<p>X</p>	
<p>Explanation: The Board of Directors of Cencosud approved a Procedure that establishes that both the Secretary of the Board and whoever acts in his place in each Committee that exists in the Company, must record and keep a physical or electronic format file of all the information that has been given to the Directors as a background to adopt an agreement, and will print or electronically save the citation to the respective session, archiving these documents adequately in the referred physical or digital file. This is without prejudice to the fact that, under certain circumstances, the Board of Directors agrees that certain information should also be incorporated into the respective minutes of the Board of Directors session. The Secretary has custody of the files that he gathers in accordance with this procedure, and must maintain in a distinctive and clear manner, the opportunities, dates and meetings to which this material corresponds.</p>		
<p>C. Treatment by the board of potential conflicts of interest that may arise in the exercise of the director's position.</p>		
<p>a) The board is governed by a Code of Conduct that at least: i) identifies the main situations that constitute a conflict of interest; and ii) describes the procedure that a director must follow to declare and resolve a conflict of interest. This Code refers at least to situations that, despite not being specifically contained in the law, if poorly resolved, could end up affecting the social interest. In any case, it should be indicated whether or not this Code of Conduct is available to shareholders and the general public.</p>	<p>X</p>	
<p>Explanation: The Board of Directors of Cencosud has approved a Code of Conduct aimed at all members of the Board. The Code adopts the mission and statement of values of the Cencosud Code of Ethics as sources of guidance for the Board's work. It also refers to the concept of Conflict of Interest recognized and supplemented in the Code of Ethics. The main situations that can constitute a Conflict of Interest are recognized in the Code in its sections 3.4 and 4.1. The Code prohibits a Director from taking advantage of business opportunities known by virtue of his or her function for himself or related persons, and he or she is obliged to declare facts that may imply a potential conflict, and must do so in writing to the Chairman and abstain from participating in decision-making. This procedure is regulated in sections 4.3 and 4.4, also recognizing what is contemplated in Title XVI of Law 18.046. This Code is available to shareholders and the general public.</p>		
<p>D. Other practices adopted by the company, referring to the matters of this numeral (No more than 5).</p>		

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2. Of the relationship between the Company, shareholders, and the general public.		
A. Of the information required by shareholders and investors for proper decision-making, and of the mechanisms that facilitate shareholder participation in shareholder meetings.		
a) For the purposes of the Director nomination and election process, the Board of Directors has a policy and procedure in place for the CEO to prepare and make available to shareholders, at least two days in advance of the meeting, a document containing the experience and professional profile of the Director candidates who, up to that point, have provided such information to the Company.	X	
Explanation: For the purposes of the Director nomination and election process, the Cencosud Board of Directors has approved a policy and procedure that establishes that in the event that the next Shareholders' Meeting corresponds to the renewal of the Board of Directors, either due to the expiration of the period or the election of a new Board due to a vacancy generated in the immediately preceding period, the CEO must inform the shareholders, by the means he deems appropriate, and on the Cencosud website, the list of Director candidates who, if applicable, have accepted their nomination and declared no disqualifications to hold the position. Such information will be provided at least two days in advance of the Meeting. The aforementioned list of Director candidates must contain, at least, the following information regarding each candidate: full name, identity card number, professional profile, and experience.		
b) The Company has a mechanism that allows remote voting and real-time participation of shareholders in shareholder meetings.		X
Explanation: There are technological complexities that need to be thoroughly reviewed in case of future implementation. This will be properly analyzed in order to safeguard, in case this practice is implemented, the effective participation exclusively of people who have the right to participate in the respective meeting.		
c) The company has electronic mechanisms in place that allow for the timely disclosure to the market, during the course of the shareholders' meeting, of the agreements that are adopted, as well as other significant events that occur during it.		X
Explanation: In order to inform shareholders and the general market in a reliable and unequivocal manner about the agreements adopted at the respective meeting, the Company deems it appropriate that prior to this, there is a record of the meeting duly signed by the Chairmen, Secretary and the shareholders chosen in accordance with the provisions of Article 72 of the Corporations Law, date from which the agreements and the minutes containing them are understood to be approved. Cencosud takes care to properly inform through the appropriate channels, the agreements adopted at the meeting, within the deadlines established by current regulations.		

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<p>d) The Company has a person, unit, or system whose main objective is to respond in a timely manner to the concerns reasonably expressed by national or foreign shareholders and investors, regarding the situation, progress, and publicly known business of the entity, also indicating where they can obtain the information that by law can be provided to shareholders and the general public.</p>	<p>X</p>	
<p>Explanation: Cencosud has an Investor Relations department, which responds in a timely manner to the concerns raised by national or foreign shareholders and investors, regarding the situation, progress, and publicly known business of the entity, guiding them to obtain the information that by law can be provided to shareholders and the general public.</p>		
<p>e) The Board of Directors has a formal procedure in place to analyze and evaluate the sufficiency, timeliness, and relevance of the various disclosures that the entity makes to the market, with the aim of continuously improving the information about the Company that is provided to the general public.</p>	<p>X</p>	
<p>Explanation: Cencosud has a procedure that establishes that the Board of Directors must analyze and evaluate semi-annually, in sessions held in January and June of each year, the sufficiency and timeliness of the information that has been delivered to the market by Cencosud during the previous semester. For these purposes, in the respective Board of Directors session, the information disclosed to the market during the last semester is systematically presented. It should be noted that Cencosud also has a Manual for Handling Information of Interest to the Market, which regulates, among other things, the way in which Essential and Interest Information should be disclosed to the market in general, which is published on its website.</p>		
<p>f) The Company maintains an up-to-date website through which shareholders can easily and conveniently access all of its public information.</p>	<p>X</p>	
<p>Explanation: Cencosud maintains a website, www.cencosud.cl, which is continuously reviewed and updated, providing easy and quick access for shareholders and the general public to the Company's public information.</p>		
<p>B. Other practices adopted by the company, related to the subjects of this section (No more than 5).</p>		

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3. Regarding the replacement and compensation of key executives.		
A. Regarding succession procedures and compensation policies and plans for key executives.		
a) The Board has a procedure in place to ensure the proper functioning of the Company in the event of the replacement or loss of the CEO or key executives. This procedure includes policies and mechanisms for selecting potential replacements and the proper handover of duties and information from the CEO or key executive to their replacements or the board.		X
<p>Explanation: In addition to the Human Resources Department, Cencosud has a Training and Development Department, which has implemented a process called Talent Review, which facilitates the replacement of key executives if necessary. This process allows for a comprehensive definition of human capital and distinctive leadership characteristics within Cencosud, and determines the main successions for key managerial positions, if necessary. Cencosud has carried out processes in which employees who would be suitable for the replacement of key executives have been evaluated. Considering the above, Cencosud is on track to significantly adopt this Corporate Governance practice.</p>		
b) The Board of Directors has established guidelines and formal procedures aimed at preventing the compensation and indemnification policies for managers and key executives from generating incentives for such executives to expose the Company to risks that are not in accordance with the defined policies on the matter or to the commission of potential illegal acts.	X	
<p>Explanation: The Board of Directors of Cencosud has approved a procedure that establishes the obligation to internally ensure that the compensation plans and indemnification policies for Executives do not generate incentives for the beneficiaries of these to commit illegal acts or expose Cencosud or its subsidiaries to risks that are not in line with the objectives of the respective plans and/or with the general policies of Cencosud. For the purposes of the above, every compensation, incentive, or indemnification plan that benefits all or some of the Executives, must contemplate, among others, objective parameters and general application to determine, fix, and analyze the fulfillment of the objectives, goals, or conditions that allow earning the respective compensation, incentive, or indemnification. Likewise, it is privileged that the compensations, incentives, and/or indemnifications that are intended to be granted, are predominantly subject to variables not susceptible to being intervened, modified, or altered by the Executive beneficiaries of the respective plan nor by the areas that depend on them. Also, in Cencosud there is a Regional Compensation Policy. The Management Control and Human Resources Department, among others, participate in the process of evaluating the fulfillment of the objectives of the different plans referred to.</p>		

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B. Other practices adopted by the company, related to the matters of this section (No more than 5).		
Cencosud implemented a Performance Management Process for Cencosud executives that covered all of Cencosud's executives at a regional level, in order to align the organization with defined objectives; drive the performance of individuals, and consequently, the business; appropriately incentivize employees; promote their development with transparency and consistency; and improve the supervisory capacity of leaders.		
4. On the definition, implementation, and supervision of the company's internal control policies and risk management procedures.		
A. On the proper management of the risks inherent in the business activities carried out by the entity and the adoption of the appropriate measures to ensure that the risks ultimately assumed by it are framed within the policies defined for this purpose.		
a) The Company has formal policies and procedures for risk management, with relevant personnel, regardless of their contractual relationship with the Company, being properly informed and trained on these matters. In addition, these policies and procedures are periodically reviewed and updated, if applicable.	X	
Explanation: For years, Cencosud has been working on identifying its significant risks, whether they are strategic, operational, credit, financial, regulatory, system, fraud, etc., and how they should be controlled and mitigated. Both the Directors of Cencosud and various management teams actively participate in the detection and control of risks present in each business area. For the proper management and control of the Company's risks, in addition to the work carried out by the Board of Directors and the Board Committee, Cencosud's Administration has various Committees and instances that, within their functions, oversee the management of the corresponding Risks. Thus, Cencosud has, among others, a Credit Risk Committee, Audit Committee, Management responsible for the implementation of SOX-Compliance standards and controls, Corporate Internal Audit Management, and teams that meet to evaluate the different risks that exist in each area. Also, Cencosud has conducted a risk assessment related to the Law of Corporate Criminal Liability, appointing a Crime Prevention Officer and implementing a Crime Prevention Model, and is reviewing the risks to which it may be exposed in terms of Free Competition.		
b) The Board of Directors has a Committee or unit that reports directly to it, dedicated to ensuring that the policies and procedures referred to in the previous letter are complied with and that, therefore, the exposure to the risks effectively assumed is in accordance with what is defined in such policies.	X	

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<p>Explanation: Cencosud's Corporate Internal Audit Management is in charge of the Company's risk mapping and management, reporting directly to the Board of Directors. Likewise, the work carried out by the Board of Directors, Audit Committee, and Credit Risk Committees, Finance, Ethics, Business, Management in charge of the implementation of SOX-Compliance rules and controls, help to strengthen control and monitor the Company's risks. In addition, the Company has a Corporate Legal Affairs Management, Crime Prevention Officer, Regional Compliance Officer, and a Free Competition Committee, which prevent regulatory and legal risks to which the company is exposed. These last three instances report directly or through the Board of Directors Committee, to the Board of Directors.</p>		
<p>c) The Company has a procedure established and known by all its staff, regardless of their contractual link with it, specially designed for the reporting of potential irregularities or illegal activities, which guarantees the confidentiality of the identity of the whistleblower.</p>	<p>X</p>	
<p>Explanation: Cencosud's Code of Ethics recognizes the existence of a procedure that allows any Cencosud employee to report potential illegal activities or irregularities, either anonymously or not, always ensuring the appropriate confidentiality. Cencosud has contracted the services of the consulting firm KPMG, an independent third party with extensive international experience, to receive and then channel all reports of Code violations or doubts about it within Cencosud. In relation to this, Cencosud has a toll-free telephone line, a special web page for these purposes managed by KPMG, fax, an email address for reports, a mailbox, and the possibility of arranging personal interviews for those who require it.</p>		
<p>d) The Board of Directors has implemented a Code of Ethical Conduct, which defines the principles that guide the actions of all its staff, regardless of their contractual relationship with the company, and has adequate procedures in place to train its staff on these principles.</p>	<p>X</p>	
<p>Explanation: Cencosud issued a first version of its Code of Ethics in 2010 for itself and all its subsidiaries, initiating a procedure for distributing copies of it, with a record of its receipt, as well as an advertising campaign to make it known throughout the Company through various means. This was modified in 2012 and 2014. Cencosud is constantly concerned with training most of its executives in relation to the principles contained in the Code, through face-to-face talks or remote means to different units, inductions, and through visual information displayed in various locations of Cencosud.</p>		

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B. Other practices adopted by the company, related to the matters of this section (No more than 5).

- i. Cencosud has approved a Crime Prevention Model to prevent the risks of committing the crimes established in Law 20.393 and has appointed a Crime Prevention Officer for its correct implementation.
- ii. Cencosud, in 2012, initiated a Free Competition Compliance Program in order to prevent and detect risks associated with this matter. For these purposes, it appointed a Free Competition Committee, composed of directors and executives of the Company.