

CORPORATE GOVERNANCE CODE

1st Release - June 2021

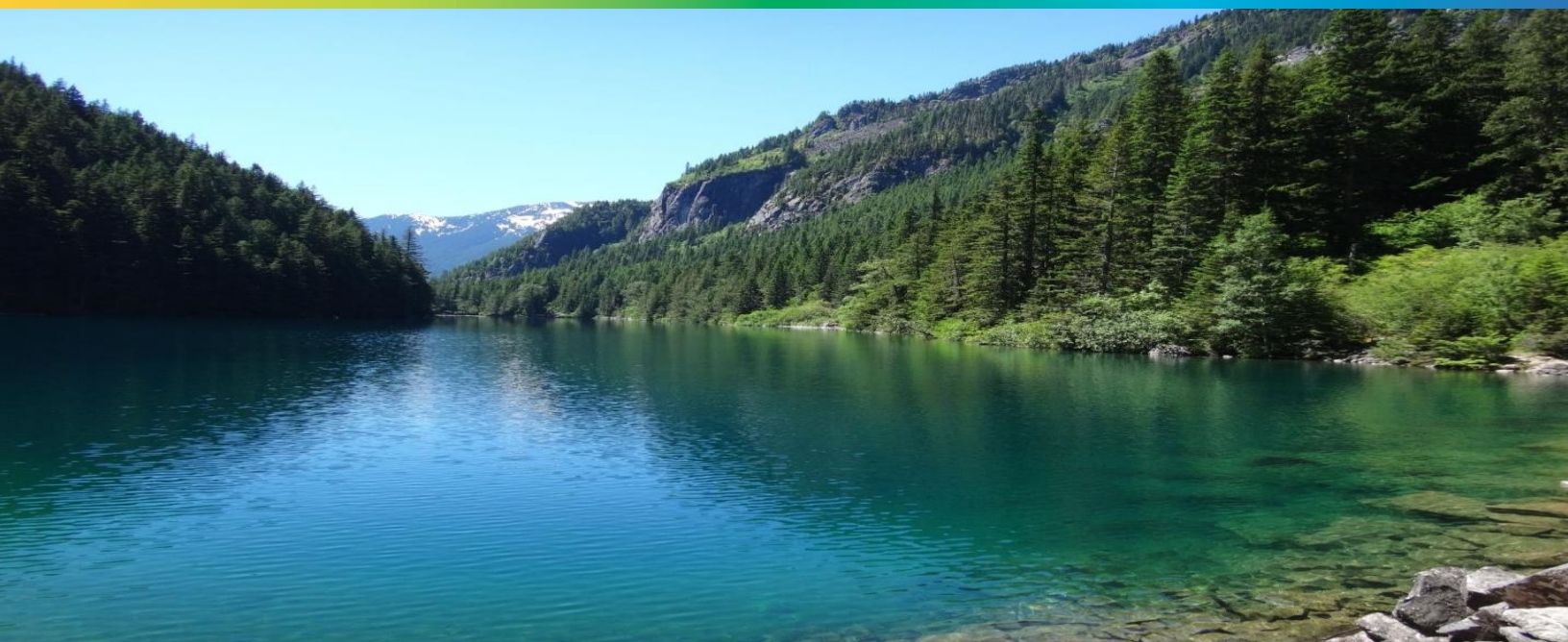


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I. OBJECTIVE

The objective of this Corporate Governance Code is to officialize the governance practices of Colbún S.A. and its subsidiaries (hereinafter "Colbún", "Company", "Business" or "Corporation"), based on strict standards of ethics, transparency and corporate compliance, and aimed at maintaining and creating Company value for those who are part of its business ecosystem.

II. SCOPE

The provisions of this Code apply to all actions of the company's Directors, Executives and Employees.

III. GENERAL FRAMEWORK WHERE CORPORATE GOVERNANCE TAKES PLACE

1. DECALOGUE OF CORPORATE DEVELOPMENT

The digital revolution and multiple social transformations generated by demographic, climatic, political, and economic changes are challenging all public and private institutions, including companies, to adapt and thrive under these constant changes.

In its growth process, the company, its corporate governance and the way it is organized evolve to achieve its objectives in a dynamic context, while the long-term horizon can be strained by short-term scrutiny. Building a culture based on interpersonal knowledge becomes difficult, being replaced, in part, by systems of governance and control expressed in codes, policies and procedures. The business ecosystem becomes more extensive and complex, and its purpose risks being diluted. Finally, the scrutiny of the company by society and the state is also increasing.

In this context, it is essential for corporate governance to have the capacity to adapt, but at the same time to be sustained by certain fundamental and permanent pillars such as those contained in the following Decalogue of Corporate Development, which is based on the work carried out by Colbun together with other SOFOFA member companies on the basis of shared learning, presented below in Table 1.

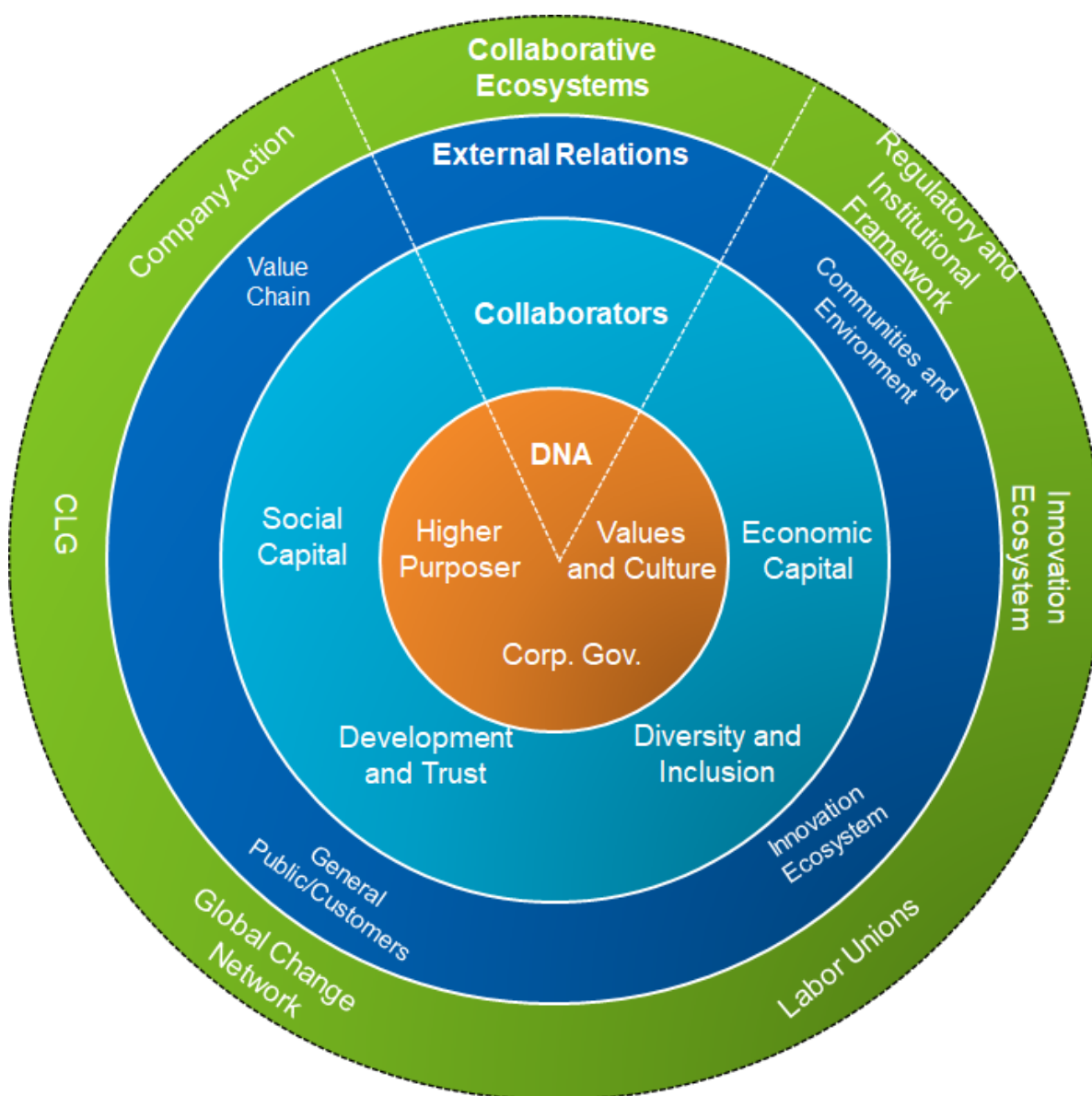
Table 1: Corporate Evolution Decalogue

CORPORATE ECOSYSTEM	01	ECOSYSTEM - We understand the company as an ecosystem where shareholders, workers, customers, suppliers, the community, and the territory that hosts them converge; which develops within a general framework given by the institutional capital and the rules for democratic coexistence provided by the State and its three powers.
DNA	02	HIGHER PURPOSE - We anchor the company's strategy and actions in a public in general/customer centered purpose validated by shareholders and understood as the way in the company seeks to serve society and at the same time generate value for all those who constitute the business ecosystem.
	03	CULTURE, LEADERSHIP AND WINNING MINDSET - we ensure an internal culture and leadership that clearly demonstrates the values of honesty, fairness and moral integrity, and promotes an innovative mindset throughout the business ecosystem.
	04	CORPORATE GOVERNANCE - We implement policies, practices and procedures to systematize our pursuit of purpose and culture building, turning transparency into a hallmark to respond to society's increasing public scrutiny of business activity.
EMPLOYEES	05	EMPLOYEE DEVELOPMENT AND TRUST - We build trust capital alongside our employees, supporting them in their development and preparation for the future, and providing them with a fair compensation that integrates social capital (treatment, opportunities for dialogue and participation) and economic capital (salary, benefits and savings) in accordance with their contribution in terms of talent, productivity, and effort.
	06	DIVERSITY AND INCLUSION - We are committed to respecting and promoting diversity in all its dimensions, emphasizing the capabilities and talents of each person.
EXTERNAL RELATIONS	07	GENERAL PUBLIC/CUSTOMERS - We undertake a proactive commitment towards free competition within the markets, providing complete and simple information and a service that ensures fair treatment and dignity to people, all of which transcends the submission to the regulatory frameworks established
	08	VALUE CHAIN - We support the development and growth of all links in the value chain, particularly in the territories and regions where we operate, especially by generating development opportunities for entrepreneurs involved in it.
	09	COMMUNITIES AND ENVIRONMENT - We generate value and trust towards and with the community around us and protect the environment that surrounds us, through management based on social and environmental impact metrics (emissions, circular economy, and water resilience).
PUBLIC-PRIVATE PARTNERSHIP	10	COLLABORATIVE ECOSYSTEMS - We participate in collaborative ecosystems where the State, the company and civil society converge to collectively tackle cross-cutting challenges such as youth employability, the promotion of innovation and entrepreneurship to address environmental challenges or the modernization of the country's institutional or regulatory framework.

2. CORPORATE DEVELOPMENT SYSTEM

The decalogue of corporate development is structured in a system whose core or DNA - purpose, culture and corporate governance - is the trust-building nucleus that engages the various members of the corporate ecosystem, beyond the rights and duties established in contractual arrangements. Indeed, the company's DNA must be alive in every practice and process within the company, in every interaction among employees, with customers and consumers, with shareholders and investors, with members of the value chain, and with the communities and environment that host it. DNA must also be alive in the collaborative ecosystems where the company converges with other companies, public institutions, and civil society to face cross-cutting challenges.

Figure 1: Corporate Development System



3. PURPOSE, CULTURE AND VALUES

The corporate governance model, especially when the company grows and becomes more complex, is an essential complement, but it does not replace the role of a higher purpose and of a culture and values that clearly show, in simple terms, "how we do things at Colbun".

PURPOSE

The purpose must inspire and mobilize, but at the same time clearly express the company's scope of action.

Our purpose responds precisely to what we do?, how we do it?, and where we do it?:

- **What we do:** We power the sustainable development of our customers - companies and distributors - and of the enabling infrastructures to achieve the Sustainable Development Goals.
- **How we do it:** By offering them energy solutions that integrate sustainability, competitiveness and reliability
- **Where we do it:** In countries that offer modern institutional frameworks for private energy solutions.

VALUES

Integrity: We adhere unrestrictedly to business ethics in being and doing business. We are transparent and consistent with our words and commitments. Respect for life and dignity of people is a fundamental value.

Innovative Mindset: We seek creative solutions to fulfill our purpose and at the same time generate value for those who are part of our business ecosystem.

Collaboration: We are committed to an unceasing search for collaboration and alliances that allow us to mutually benefit, both within the organization and with our main stakeholders.

Excellence: We work to achieve results with a permanent sense of quality and responsibility.

Passion: We contribute our energy and our best capabilities to the development of the countries where we operate.

4. CODE OF ETHICS

Document approved by the Board of Directors that establishes the ethical and transparency principles that should guide the conduct of each of the Company's members, and which is also applicable to Colbun's directors while performing their duties.

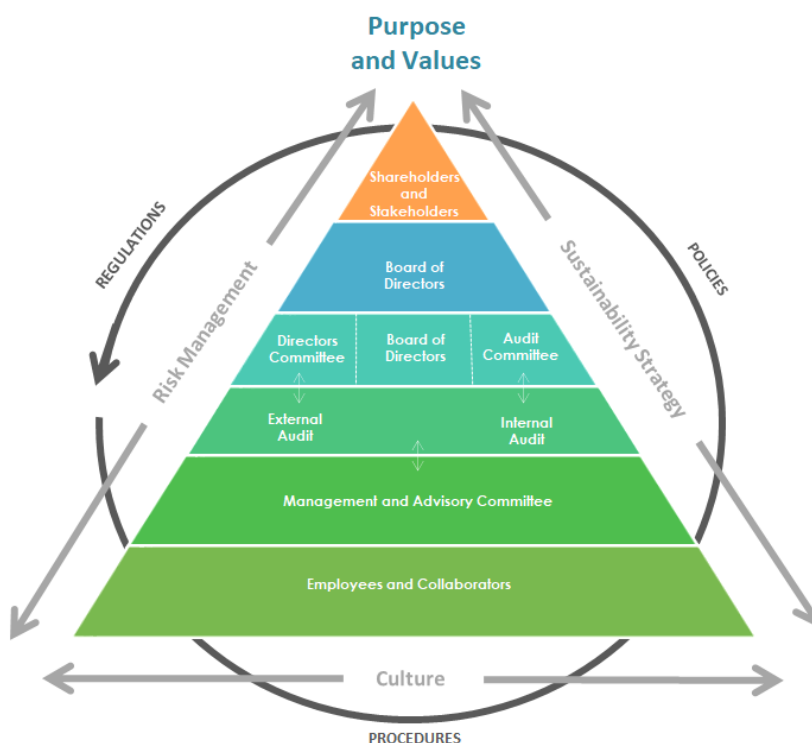
5. DELEGATION OF AUTHORITY POLICY

The Company has defined the criteria and general principles for the Delegation of Authority of the Board of Directors, specifically those issues or transactions that must be previously reviewed and approved at the Board of Directors level, at Directory Level or at the Committee level. Additionally, there is a Management Delegation of Authority Policy, which establishes the general criteria and principles, regulating the issues or transactions that must be previously reviewed and approved by the Chief Executive Officer and/or Management to safeguard the correct operation and control of the company.

6. POLICIES AND PROCEDURES

Colbun's Corporate Governance is ruled by policies and procedures disseminated within the Company. Approvals and/or updates of regulatory bodies and policies related to economic, environmental, and social issues of the organization are proposed by the Company's senior management, led by the Chief Executive Officer, and submitted to the Board of Directors for approval. Management is responsible for developing and applying policies and procedures to maintain adequate risk management and control.

IV. CORPORATE GOVERNANCE MODEL



Corporate Governance refers to the set of principles, rules and mechanisms that regulate the operation of the entities that govern the Company, with the objective of creating sustainable value for its shareholders and stakeholders. Those responsible for ensuring Colbun's governance are the Board of Directors, its advisory committees, management, executives, and employees, through a set of principles, values, policies, and procedures to promote proper governance of the Company, its subsidiaries and operations in general. The above is in accordance with internal (Policies and Procedures) and external (Regulations) that define the way in which Colbun's Corporate Governance operates.

V. CORPORATE GOVERNANCE STRUCTURE

1. SHAREHOLDERS AND STAKEHOLDERS

1.1. SHAREHOLDERS

The exercise of shareholder rights considers:

- Participation in Shareholders' Meetings by exercising their right to vote in proportion to their number of shares.
- The right to obtain profits according to their shareholding, under equal conditions for all shareholders.
- Availability of timely information on all matters to be discussed at shareholders' meetings. In addition, shareholders have the right to receive truthful, timely and non-discriminatory relevant information about the Company, that the Company is obliged to disclose and deliver in accordance with the law.
- The right to nominate, in the cases indicated by law, candidates for directors.

1.2. SHAREHOLDERS MEETINGS

The Shareholders' Meeting is the supreme decision-making body of Colbún S.A., where shareholders meet periodically to discuss the Company's management and adopt agreements that, in accordance with the law and its bylaws, are within their competence.

Its main functions are:

To exercise their right to vote to elect the directors of the Company.

- Approval of the remuneration of the members of the Board of Directors and its Committees.
- Approval of the Company's annual report, balance sheet and financial statements.
- Definition of dividend policies and amount of profits to be distributed.
- Election of the External Auditing Company and the risk rating companies.
- Amendment of the Company's bylaws.

1.3.STAKEHOLDERS

At Colbun we understand the company as an ecosystem where investors, shareholders, workers, customers, suppliers, the community and the territory and environment converge; and that it develops in a general framework given by the institutional capital and the rules for democratic coexistence that the State and its three powers provide.

- Employees
- Customers and clients
- Investors
- Contractors and Suppliers
- Communities

Employees: We encourage the commitment to excellence in our work, based on efficiency, reliability, and professionalism. Likewise, we promote actions that contribute to the quality of work life, based on values such as respect, integrity, dignity, and diversity.

Customers and clients: We promote the delivery of excellent service and solutions, based on the needs and requirements of our customers.

Investors and Shareholders: We ensure the fulfillment of our shareholders' expectations of return on investment, which includes the provision of complete, relevant and timely information to stakeholders on all relevant Company related aspects.

Contractors and Suppliers: We seek strategic partners who share our values and foster relationships based on respect, honesty, excellence, respect for the law and transparency.

Community and Society: We privilege projects in the areas of education, quality of life and productive development, to promote self-sustainable projects in the long term and with high social impact, thus developing initiatives that create shared value.

Legislative Power: We are interested in the processes of processing bills that have an impact on the development of the Company's line of business, contributing with ideas and proposals to these processes, in strict compliance with the law and the procedures that regulate it.

Executive Power: We promote and adhere to the actions of the Executive whose purpose is to contribute to the growth and development of our country; and we are interested in the processes of issuance of regulations and rules of interest to the Company, contributing with ideas, experience, and proposals to these processes, in strict compliance with the law and the procedures that regulate it.

2. BOARD OF DIRECTORS

Colbun's Board of Directors is the head of Corporate Governance. It is integrated by nine members appointed by the Shareholders' Meeting, who do not hold any executive positions, can be reelected indefinitely and may or may not be shareholders. Its role is to formulate and monitor, along with management, the company's strategy, ensuring its long-term sustainability. It must respond to demanding fiduciary expectations, as well as provide the organization with a transcendent and mobilizing sense. The Board of Directors must encourage inquiry, self-criticism, and leadership as a collective standard, beyond the individual responsibility of each director.

2.1.DIRECTOR NOMINATION PROCEDURES

SUBMISSION OF INFORMATION

Background information must be sent to the Chief Executive Officer of the Company at least three business days prior to the date of the Shareholders' Meeting, by e-mail to rsperez@colbun.cl or by letter delivered to the Company's domicile.

APPLICATION

The Chief Executive Officer shall make available to the shareholders, through the Company's website, at least two days prior to the Shareholders' Meeting, the information provided to the Company regarding the experience and professional profile of the candidates for director received up to that date.

The foregoing does not preclude the option of presenting any interested person as a candidate for director at the same time the corresponding Shareholders' Meeting is held.

2.2.INDUCTION PROCEDURES FOR NEW DIRECTORS

COMPANY INFORMATION

In order for the new director to be familiar with the legal framework applicable to the Company and the Board of Directors, and how it is structured, the Chief Executive Officer will provide the new director with the following information:

REGULATIONS IN FORCE

- Law N° 18,045 Securities Market.
- Law N° 18,046 regarding Corporations
- Regulation of the Corporations Law.
- Law N° 20,393 – on Criminal Responsibility of Legal Persons for the Crimes of Money
- Laundering, Financing of Terrorism and Offences of Bribery
- Law Decree N°211- Establishes rules for the Defense of Free Competition
- General Law of Electrical Services.
- CMF-NCG 30: Rules for Registration of Issuers and Publicly Offered Securities in the Securities Registry, their Dissemination, Placement, and Information Obligations.

- CMF-NCG 270: Publicizing Policies and Procedures related to the acquisition or disposal of the entity's securities and the handling and disclosure of information to the market.
- CMF-NCG 314: Sending legal, economic, and financial information through the Internet.
- CMF-NCG 385: Copy of the regulation and of the latest response to the questionnaire sent to the authority and published on the Company's website.
- Updated jurisprudence regarding rulings related to the duties of care, reserve, loyalty, diligence, and information that assist directors.

INTERNAL DOCUMENTS

- Bylaws.
- Colbun Corporate Governance Code
- Code of Ethics.
- Latest 3 Annual Integrated Annual Reports and quarterly Financial Reports for the last year.
- Main Corporate Policies (including sustainability and risk management).
- Internal Rules of Order, Hygiene and Safety.
- List of main Customers, Competitors and Suppliers.
- Manual for Handling Information of Interest to the Market.
- Crime Prevention Model Law No. 20,393

The new director, if so requested, shall have access to the minutes of the Shareholders' Meetings, the Board of Directors' Meetings, and the Directors' Committee Meetings prior to his/her appointment.

INFORMATION ABOUT THE COMPANY AND ITS ENVIRONMENT

The CEO will explain to the new director the main characteristics of the company, including, among others:

- History and Company description.
- Company purpose.
- Values.
- Strategic Objectives.
- Organizational Structure, including structure of the Board of Directors and its Committees.
- Description of the different facilities.
- Electric Business Environment: Applicable Regulations and Standards, main customers and competitors.
- Analysis of Financial Statements and main Accounting Criteria.
- Main investment projects.
- Main Risks, including those related to sustainability.
- Access to the minutes of the last 2 years.
- Map with the main stakeholders.
- Definition of conflict of interest.

2.3. INFORMATION SYSTEM FOR DIRECTORS

The directors are provided with a system for remote and secure access to the information necessary to perform their duties.

2.4. VISIT TO FACILITIES

The Board of Directors of Colbún collectively or individually, at least annually, shall visit the Company's premises and facilities to have an overall impression of their condition, operation and the people who work in them.

2.5. CONTINUOUS IMPROVEMENT PROCEDURE (SELF-EVALUATION)

The Board of Directors has a regular procedure for the continuous improvement of its performance as a collegiate body. This procedure is executed on an annual basis and is led by the Chairman of the Board. The conclusions of this process are discussed at a Board meeting.

2.6. PERMANENT UPDATE PROCEDURE (TRAINING)

The Board has a training/updating process for the Board of Directors as a whole, the purpose is to keep the Board up to date in matters pertaining to the exercise of its role. Training may be provided by internal management personnel or by external advisors depending on the nature of the subject matter. Among other matters, best practices in Corporate Governance, risk management tools and an update on jurisprudence related to the duties of care, confidentiality, loyalty, diligence, and information will be considered. The specific subjects and dates will be approved on an annual basis by the Board of Directors.

The subjects that are part of the Board's training will be disclosed in the Company's annual report.

2.7. RECRUITMENT OF ADVISORS

The Board of Directors and its Committees may recruit advisors when circumstances so require and when requested by most of the members in office of the Board of Directors or each Committee. The reports of the advisors shall be delivered equally to all directors. If a director proposes the engagement of a consultant, and the engagement is not approved by the majority of the Board of Directors or Committee, as the case may be, the proposing director may record such circumstance in the minutes.

The Company's Annual Budget shall consider a budget for such advisory services.

2.8. DISCLOSURES TO THE MARKET

The Company shall have a process to identify improvements, if any, for the preparation and dissemination of disclosures to the market. The above to ensure easy and timely access to interested publics, with respect to the Company's relevant information.

3. ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

As indicated, the role of the Board of Directors is broad, diverse, and complex, and is best carried out in a collegial manner. However, to enhance its performance, it requires some permanent committees, as well as ad-hoc instances or specific roles of directors for challenges that require special monitoring.

For these purposes, Colbun's corporate governance contemplates the following instances:

3.1. BOARD OF DIRECTORS

The Board of Directors' Committee is integrated by the Chairman and Vice-Chairman of the Board of Directors and meets every two weeks on an ordinary basis, attended by the Chief Executive Officer, and other directors and managers may also be invited to attend.

The Board of Directors' Committee is an opportunity for management to share and report on more than a monthly basis on: (i) progress in the implementation of the Company's strategy; (ii) relevant contingent matters; and (iii) the implementation of policies and guidelines associated with people management and succession plans for key executives.

3.2. ETHICS AND AUDIT COMMITTEE

Committee integrated by 3 members of the Board of Directors, of which one is the Chairman of the Board and the other two are nominated by the Board of Directors. The secretary is the Internal Audit Manager. The main functions of the Committee are: i) to supervise Internal Audit's work, ii) the management of the Whistleblower Channel and iii) the state of compliance with Law No. 20,393 on Criminal Liability for Legal Entities.

The main matters dealt with in this Committee are presented to the Board of Directors by its Chairman and the Internal Audit Manager. The Audit Committee meets quarterly on an ordinary basis and extraordinarily when necessary.

3.3. DIRECTORS' COMMITTEE

The Company's Directors' Committee, regulated by Article 50 bis of Law 18.046 on Corporations, has as its main functions: i) to examine and deliver its opinion on the financial statements and reports of the external auditors, ii) to propose to the Board of Directors the external auditors and risk classifiers to be suggested to the Shareholders' Meeting, iii) to examine and report to the Board of Directors on transactions with related parties, as well as transactions in which a Director, Manager or Executive of the Company has an interest, iv) to examine the remuneration systems and compensation plans for Managers and v) to supervise the work of the External Auditors.

The main matters dealt with by this Committee are presented to the Board of Directors by its Chairman. The Directors' Committee meets in ordinary meetings and in extraordinary meetings when necessary.

4. MANAGEMENT ADVISORY COMMITTEES

The Board of Directors has instructed Management to structure certain management support committees around matters that, being under the responsibility of Management, due to their complexity, multidimensionality, and eventual impact, require the integration of several management and board perspectives. For this purpose, these committees will be integrated by two directors (one of whom must be the president or vice-president) and executives.

These committees are for deliberation, analysis and discussion of the matters concerned to improve decision making and, therefore, are non-resolutive (with the exception of those delegations stipulated by the board of directors in its Delegation of Authority Policy). The Chief Executive Officer, with the support of the corresponding director(s), must report on these matters to the Board of Directors.

4.1.SUSTAINABILITY AND REGULATION COMMITTEE

The purpose of this committee is to supervise the transversal integration of good social, environmental, and corporate governance practices in the different areas of the business. Through this role, we seek to create long-term value for the company, its shareholders, and stakeholders, in addition to strengthening the capital of trust in the company. Likewise, in circumstances where the company's environment is shaped by the institutional and regulatory framework of the energy industry, the Committee will also identify the necessary modernizations or adjustments in the regulatory and institutional frameworks of the sector and monitor the status of the legislative and administrative processing of bills, regulations and decrees that have an impact on its development. .

4.2.RISK COMMITTEE

The purpose of this committee is to monitor the integral management of the Company's main risks in different dimensions: sustainability, financial, operational, regulatory, among others.

4.3.PROJECTS AND GROWTH OPTIONS COMMITTEE

The purpose of this committee is to monitor the company's portfolio of growth options, as well as their development and execution.

5. AUDITS

5.1.INTERNAL AUDITS

The company has an Internal Audit Area, which aims to minimize the company's exposure to risks relevant to its operations, through the independent and continuous evaluation of its risk management, internal control, and corporate governance.

The Internal Audit activities involve determining whether in Colbun S.A., the processes designed are adequate and operate to ensure that:

- Risks are identified and managed appropriately.
- Significant financial, administrative, and operational information is reliable, complete, and timely.
- Employee actions are performed in accordance with applicable policies, standards, procedures, regulations, and laws.
- Resources are acquired economically, used efficiently and adequately protected.
- Programs and plans are implemented, and established objectives are achieved.
- Quality and continuous improvement are promoted in the company.
- Legal or regulatory issues impacting the Company are recognized and adequately addressed.

5.2.EXTERNALAUDIT

The purpose of the external audit is to express an independent opinion on whether the financial statements of Colbun S.A. and its subsidiaries are prepared, in all material respects, within an applicable financial statement framework, in accordance with International Financial Reporting Standards and procedures.

6. RISKS MANAGEMENT

The goal of Colbun's Risk Management strategy is the preventive identification and subsequent management of those events that could have a negative impact on the fulfillment of the company's strategic objectives. To comply with the above, internationally accepted methodologies and standards are used.

7. CHIEF EXECUTIVE OFFICERS

The Chief Executive Officer is empowered by the Board of Directors to perform all functions required for the proper management of the Company, in compliance with current legislation and the Company's own policies and procedures.

7.1.NOMINATION PROCEDURE

The appointment of the Chief Executive Officer is under the authority of the Board of Directors and for this purpose the Board shall coordinate the search and selection and may request the support of the Organization and People Manager and professional executive search agencies.

In relation to the Chief Executive Officers, the CEO is responsible for leading the search and recruitment process, with the support of the Organization and People Management and, if deemed necessary, of professional executive search agencies, complying, as appropriate, with the People Management Policy. The candidate or candidates selected by the CEO will be submitted to the Board for consideration, to be ratified by the Board of Directors.

7.2.REPLACEMENT PROCEDURE

In the event of a circumstance that implies the temporary or permanent removal of the CEO, or of one or more of the Company's Chief Executive Officers, the CEO shall propose to the Board of Directors a replacement for his position and for each of the Chief Executive Officers. This list shall be updated at least once a year so that the replacements indicated remain in force.

In the case of the replacement of the CEO, it is the responsibility of the CEO to keep the person who usually replaces him/her in situations of common occurrence, such as vacations or illness, duly trained and informed of his/her work, and in any case, must not violate the confidentiality obligations inherent to the exercise of his/her position.

In the event of an unforeseen circumstance requiring the replacement of the CEO or one of the other Chief Executives, the person who was designated as replacement for that position shall assume such duties on an interim basis. The Board of Directors, at the proposal of the Officers, shall approve the person appointed on an interim basis or, alternatively, manage, through the Officers, the initiation of a search process for other candidates, whether internal or external.

7.3.SUCCESSION OF SENIOR EXECUTIVES

The Company has a process for identifying successors for the positions of Chief Executive Officer and Senior Executives (direct reports). A table detailing potential successors is updated on an annual basis, to be submitted to the Board for its subsequent approval by the Board of Directors.

7.4.COMPENSATION TO SENIOR EXECUTIVES

The fixed and variable compensation policies and structures for the Company's Chief Executive Officers are reviewed and validated by the Board and the Directors' Committee and are subsequently analyzed and decided by the Board of Directors.

The Board of Directors is the body that defines the compensation structure of the Chief Executive Officer, in its fixed and variable components; and in turn also acknowledges the compensation structure, with its fixed and variable components, of the Chief Executive Officers proposed by the CEO. The amounts of performance bonuses for the Chief Executive Officers are previously submitted to the consideration of the Board of Directors.

This document was approved by Colbun's Board of Directors at its meeting held on June 29, 2021.