

POLICY

# FOR THE CONTRACTING OF GOODS AND SERVICES PROVIDED BY “POLITICALLY EXPOSED PERSONS”

1<sup>st</sup> Version – October 2015



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**The terms referred to in this policy are defined in the Corporate Glossary.**

## 1. OBJECTIVE

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To establish the general principles and guidelines for the contracting of goods and services for Colbún S.A. and its affiliates (hereinafter "Colbún" or "Company") with "Politically Exposed Persons" ("PEP Persons").

## 2. SCOPE

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Applies to all directors, executives and employees of Colbún that deal with Collaborating Companies and Suppliers of Goods and Services.

## 3. BASIC PRINCIPLES

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- **Politically Exposed Persons.**

Described in section IV of Circular Nº 49 issued by the Financial Analysis Unit, PEPs are "Chileans or foreigners who perform or have performed **prominent public functions in a country**, up to minimum one year after their completion".

Included in this category are "heads of state or government, senior politicians (including members of political party boards), senior government, judiciary or military officials, senior state enterprise executives and their spouses, their relatives up to second degree of consanguinity and natural persons with whom they have entered into a joint action agreement providing them sufficient voting power to influence companies constituted in Chile."

Municipal councilors, their spouses and relatives up to the second degree of consanguinity are also considered "Politically Exposed Persons according to Colbún's definition.

- **Revision and Control Process.**

Colbún must carry out a review and control process prior to the signing of Contracts with providers of goods and services, to determine if the Collaborating Company and/or Provider of Goods and Services is a PEP or has any relationship to PEP Persons.

- **Approval of Contracts with PEP persons.**

a) Any Contract with PEP Persons or companies related to PEP Persons requires the approval of the General Manager prior to its subscription. The General Manager will subsequently inform the Board of Directors of all Contracts that have been signed with PEP Persons or related companies and PEP Persons.

Without prejudice to this particular approval, the contracting of a PEP Person shall comply with the other contracting policies and procedures described in the document entitled "Relationship Policy with Collaborating Companies and Providers".

## **4. ROLES AND RESPONSIBILITIES**

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### **4.1 FINANCE AND ADMINISTRATION MANAGEMENT, SUPPLY MANAGEMENT AND LEGAL MANAGEMENT.**

- Develop and implement the necessary procedures and tools for the application and control of the basic principles established in this policy.

### **4.2 General Management**

- Assign the necessary resources for the proper management of this policy, in order to have the appropriate infrastructure, methodology and personnel.

## 4.3 BOARD

- Approve the present policy.

## 5. EXCEPTIONS

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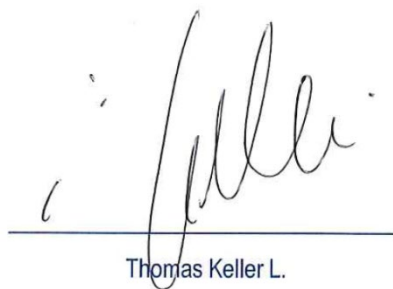
Exceptions must be documented and approved by the General Manager and informed to the Board of Directors.

## 6. NON-COMPLIANCE

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In case of non-compliance of this Policy, the sanctions set forth in Colbún's Internal Health and Safety Order may be applied.

**This policy has been approved by the Board of Colbún on October 27, 2015.**



Thomas Keller L.

**Gerente General Colbún**

General Manager of Colbún