

POLICY

RISK CONTROL & MANAGEMENT

2nd Version – March 2015



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The terms referred in this policy are defined in the Corporate Glossary

1. PURPOSE

Establish guidelines and general principles for the risk control and management process of Colbún S.A. and its subsidiaries (“Colbún” or “Company”).

2. SCOPE

It applies to the whole Company and it is responsibility of all the workers to comply with it.

3. MAIN GUIDELINES

- **Safeguard the sustainability of the business**, by defining actions that reduce the impact that could arise from the adverse behavior of variables that directly influence the results of the Company.
- **Minimize risks in a cost-efficient manner**, in order to respond to the changing environment in which the business develops.
- **Integrate the risk vision** in the corporate management of each business area.
- **Generate an organizational structure and a management methodology** to administrate the risks of each one of the business units of the Company.
- **Supervise compliance of the mitigation plans agreed** and the level of resulting residual risk.

4. ROLES & RESPONSIBILITIES

4.1 DIVISIONAL & AREA MANAGERS

- Get involved and practice all the principles outlined in this Policy.
- Assume the responsibility for the risk management of their respective Division/Area.
- Develop and maintain an updated risk matrix of their respective Division/Area.
- Opportunely report: the information related to the assessment of risks, the status of action plans' implementation, the records of losses, events and incidents and all the necessary information for the development of corporate risk management reports.

4.2 CONTROL AND RISK MANAGEMENT DEPARTMENT

- Design and implement a Risk Management Methodology.
- Support and assist other company units in the implementation of such Risk Management Methodology.
- Monitor the management of the most relevant risks in the Company, as well as the effectiveness of the established control measures, reporting regularly to the Risk and Sustainability Committee.

4.3 CHIEF EXECUTIVE OFFICER (CEO)

- Report to the Board of Directors the main findings and recommendations of the Risk and Sustainability Committee.
- Allocate the necessary resources for a proper risk management, securing the availability of the appropriate infrastructure, methodology and staff.

4.4 RISK AND SUSTAINABILITY COMMITTEE

- It will be formed by the CEO and the managers of his direct dependence. Other managers and advisors could be added if required.

- Ensure that the Company has an effective risk management, and that all risks identified as relevant are administered in accordance with the policies and proceedings established by the Board of Directors and the CEO.

4.5 BOARD OF DIRECTORS

- Approval of this Policy.
- Deeply know the main risks that affect the Company and how the Management is addressing them.

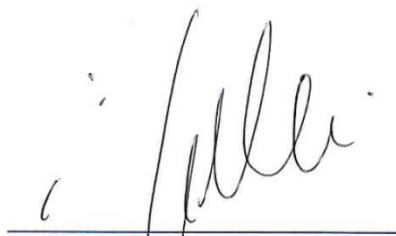
5. EXCEPTIONS

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

6. NON-COMPLIANCE

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

This Policy has been approved by the Board of Directors of Colbún in the session dated March 31, 2015.



Thomas Keller L.
Gerente General Colbún