POLICIES AND PROCEDURES FOR CORPORATE GOVERNANCE

Last Update 07/2021

Within the framework of implementing regulations pursuant to good corporate governance, CMPC's Board of Directors has approved a series of policies and procedures on the issues presented herein. These regulations are mandatory for CMPC directors, executives and workers as correspond.

ORIENTATION PROCEDURE FOR NEW DIRECTORS

Introduction

The present document hereby establishes the orientation process which all new Corporate Directors must go through, and in doing so facilitate knowledge acquisition and comprehension of matters relevant to the Company. These matters include essential aspects of the Company, business and Board function.

Development

The President of the Board will officially provide the new Director, upon his/her assumption of duties, a folder containing no less than the following information for their orientation:

PRACTICES	INFORMATION
The business, topics and risks, including sustainability which is considered the most relevant, as well as the reasons the Board considers said topics relevant. Relevant interest groups the Company has identified as such, as well as the reasons the Board considers them relevant, and the mechanisms used to ascertain expectations and maintain stable relations with the same.	Social bylaws. Power of Attorney. Consolidated Financial Reports for the last year. "Administrative Report" generated by the external auditing company for the last year. Integrated Report. Internal Regulations on Order, Hygiene and Safety CMPC Internal Regulations Investment Presentations for the last year Biggest clients, markets, competitors and suppliers Main products, current pricing, volume and market share.
Company mission, vision, strategic goals, principles and values, policies for sustainability as detailed in sustainable development reports and risk management.	Code of Ethics. Corporate Governance Manual. Corporate Governance Procedures General Policy on Ordinary Operations inherent to the Corporate Purpose Market Interest Data Management Manual Crime Prevention Model Integrity Policy Free Market Competition Manual.

PRACTICES	INFORMATION
Most relevant legal framework applicable to the Company, Board of Directors and top-tier executives.	Securities Market Law and Corporation Law, in addition to their regulations. Law N° 20.393 – Law governing Criminal responsibility for Juridical Persons FMC Regulations, among which: NCG 270: Publication of policies and procedures for the acquisition and transfer of securities belonging to the entity, and the handling and disclosure of information to the market. Law of General Nature 385: Establishes the norms governing the dissemination of information regarding corporate governance practices adopted by open corporations
Duties inherent to care, discretion, loyalty, diligence and information in accordance with current legislation falling under the purview of each member of the Board, using examples of rulings, penalties or the most relevant pronouncements regarding said duties at a local level, over the last year.	Examples of the most relevant rulings, penalties or pronouncements over recent periods relative to the duties of care, discretion, loyalty, diligence and information.
The main agreements made over the previous two years prior to the new Director's ascension to the position, and the reasons taken into consideration when adopting said agreements.	Copy of the minutes from meetings held over the last two years.
The most relevant line items in the quarterly financial reports from the last year, in conjunction with the corresponding notes and accounting criteria applied to the preparation of said financial reports.	Copy of Consolidated Financial Reports.
What is, in the opinion of the Board of Directors, a conflict of interest, and; how, in their opinion, or according to the Manual or Code to that effect, the conflicts of interest established by law notwithstanding, must situations involving said conflicts be handled in the event of their occurrence.	Copy of the Compendium

There may also be meetings between the new Director, the President of the Board, General Manager and top-tier executives to deal with the following subject matter, among others:

- History / description of the Company.
- Mission / Vision / Purpose.
- Property structure.
- Company organizational structure, including descriptions of key functions.

- Balance reviews, income statements and cash flows.
- Main investment and corporate development projects.
- Main accounting criteria.
- Compliance and Integrity Program.
- Risk management and internal auditing procedures.
- Company financial statements.
- Accounting policies for human resources and environments.
- Aspects of human resources, executive development and talent management.
- Visits to representative facilities.
- Most relevant trials and legal contingencies.
- Status of compliance with relevant applicable regulations.

Responsible Party

The President of the Board.

PROCEDURE IN THE EVENT OF CONFLICTS OF INTEREST WITH RELATED PARTIES

As a general rule, any case in which a Related Party is involved in an operation with a Business Partner, or has a Conflict of Interest, corporate interests must have priority over private interests, an aspect forming the main criteria in resolving conflicts of interest or doubts regarding the same.

The present regulation governs how persons should act in the case of an operation with a business partner and conflict of interest that arises in the development of Company business.

Operations with Business Partners.

An operation with a business partner is a process of negotiation, an act, contract or operation between the Company (or subsidiary) and, a person that to the effect of current legislation is considered related to the Corporation. Said transactions are governed by the stipulations contained in Title XVI of the Law of Corporations. These regulations notwithstanding, the following criteria must apply.

Duty to Inform: Related Parties with an interest or participation in negotiations to enact an operation with business partners must inform the Secretary of the Board immediately. In the same manner it is the obligation of any and all company employees with knowledge of an operation with a business partner to disclose said information to the Corporate Auditor.

Director Committee Revision: The operation in question and all history and records must be put to analysis by a Board Committee, which in turn must issue a report on their findings and send it to the Board of Directors.

Prior Board Approval: Later, the operation must be given prior approval by the Board of Directors, excluding the affected Director, before implementing said operation. If the absolute majority of the Directors must be excused from the vote, the operation must be approved unanimously by the unaffected directors.

Proof in the Minutes: If the Board should so require, the affected Director or Executive must make the opinion public regarding the operation, leaving explicit proof in the minutes of the respective Board Session. The following must also be reflected in the record of the session: (i) the report issued by the Director Committee; (ii) the reasons for the decision, clarifying that the objective is in the social interest and that the price and terms and conditions are market driven at the time of approval; and (iii) the reasons the affected Director(s) was/were excluded.

Meeting Disclosure: The Board agreement must be reported at the next Shareholder Meeting, explicitly mentioning the Directors that approved the operation.

Meeting Approval: If the Board of Directors decides not to approve the operation, said operation can be put to a vote at an Extraordinary Shareholder Meeting and approved with 2/3 of the votes of shareholders with voting rights.

In this case the Board of Directors must designate at least one independent assessor to inform the shareholders of (i) the conditions of the operation, the effects and potential impact on the Company; and (ii) the points the Director Committee in each case expressly requested be evaluated.

The Board of Directors must provide the shareholders with the assessor reports the following working day at the social facilities and on the website upon reception at the Company, for a minimum of 15 working days from the date the last assessor report was received. The Company is obliged to communicate the previous to the shareholders as an Essential Fact.

The directors must state the convenience of the operation in terms of social interest within the following 5 working days from the date the last assessor report was received.

Director Opinion: If, in accordance with the previous stipulation, one or more Company Directors are obliged to make statements regarding operations with business partners, said Directors must (i) explain the relationship they have with the operational counterpart or their interest in the operation itself; and (ii) refer to the benefit of the operation in terms of social interest, the objections or criticism of the Director Committee regarding the case, and the conclusions of the assessor reports or expert analysis should it exist.

These opinions must be put at the disposition of the shareholders on the following day of their reception at the Company, at the social offices and on the website, and also reported by the Company as an Essential Fact.

Exempt Operations

The previous do not apply to operations with business partners considered exempt. They are the following:

(a) Operations for a non-relevant amount: any act or contract to the sum of over 1% of corporate assets, provided this exceeds 2,000 UF, is considered a relevant amount, and always considered relevant when over 20,000 UF.
(b) Operations that fall within General Policy on Ordinary Operations pertinent to the Corporate Purpose; and
(c) Operations with companies in which the Company has direct or indirect ownership of at least 95%.

Regarding these operations, at the end of every year, each business unit must submit proposals to the Director Committee and Board of Directors for the general framework for Exempt Operations they will enter into the following year, in terms of budget and historical records. That information will be forwarded to the Directors Committee for analysis, and subsequently to the CPMC Board of Directors for approval.

Assuming compliance with the procedure escribed above, Exempt Operations must be informed ex post to the respective Board and the Directors Committee in accordance with the terms approved earlier in the process.

If during the year an operation previously classified as exempt becomes subject to analysis for conflict of interest, it must undergo the respective process and requirements stipulated for Operations with Business Partners.

Conflicts of Interest

The operation is understood to be incompatible when in any act, contract or negotiation between CMPC and one or more persons, there are existing contractual business, personal or emotional relationships, either direct or via interpósita persona, between the person assessing, deciding on or executing said act, contract or negotiation, or in the role of administrator, supervisor or controller of the same operation or CMPC counterparts in the same act, contract or negotiation.

Directors, Managers and Top-tier Executives are obliged to declare any conflicts of interest they have through the established Company system. The obligation must be complied with on a yearly basis or immediately upon becoming aware of said conflict of interest and in no case more than three days after becoming aware of said conflict.

Save for express authorization, in writing and issued by the Ethics and Compliance Committee, the person affected by the Conflict of Interest cannot continue participating in the operation under review.

Responsible Party

Corporate Auditor

BOARD OF DIRECTORS TRAINING

Introduction

The present document establishes the process required for permanent training for the Board of Directors, and is intended to provide members of the Board with the tools they need to practice their roles based on knowledge and updated skills relevant to the Company's situation.

The Board of Directors must guarantee a yearly presentation on best practices in corporate governance in companies of a similar nature, as well as any progress in terms of sustainability and risk management.

In the same instance described above, the Corporate Auditor, or whomsoever the Board of Director assigns, must inform the Board of any relevant rulings, penalties or pronouncements associated with compliance with the legal duties of directors. They must also inform of any situation that may become, or already are conflicts of interest for the purpose of analyzing and finding any possible solutions to those cases.

Responsible Party

Corporate Auditor

BOARD CONTINUITY IN CRISIS SITUATIONS

Introduction

The present document establishes the contingency procedure that must be executed in the event of a critical event. It is intended to establish clear guidelines to apply in cases of an event considered critical for the Company.

It will be the Board of Directors who will define the material existence of a critical case, the definition of which will be determined using the Corporation risk matrix.

Once the Board of Directors has determined the existence of a Critical Event, the Board may (i) order the constitution of an ad hoc committee which, according to the case, could consist of Company directors, subsidiary directors, principal executives and external counselors among others. Sessions must be recorded in the corresponding minutes by the Board Secretary or other dignitary assigned to the process; and (ii) will define – as determined by the proceedings with the Corporate Auditor and external legal counsel if considered necessary – the appropriateness, opportunity and content of statements that will eventually be disclosed to the market and the organization itself.

Once constituted the Crisis Committee must name a president and define the manner in which the committee will exercise their responsibilities and deal with the Critical Event. After every session the president of the Crisis Committee must report to the President of the Board of Directors on the development of the session, and submit a copy of the minutes recorded by the secretary assigned by the committee. Once informed of the Crisis Committee findings the Board of Directors must determine, on an independent, case-by-case basis whether they merit a call for an extraordinary meeting.

The Crisis Committee will analyze and provide the Board with the following elements among others (and additional elements where necessary): (i) the need to modify the administration of a subsidiary; (ii) execute positive action in a specific business area; (iii) designate specific persons charged with communication of the case; (iv) hire expert counsel to handle the situation; (v) propose a specific course of action to solve the crisis; (vi) form work teams; (vii) draft internal memorandums to maintain workers and eventually collaborators abreast of the situation; and (viii) safeguard confidentiality should the case warrant discretion during the process.

Responsible Party

President of the Board of Directors

FIELD VISIT PROCEDURE

Introduction

The present document regulates field trips to Company facilities and infrastructure for directors, and is designed to favor the flow of information from Company operations to the directors, providing said directors with a current picture and latest knowledge and understanding of matters relevant to the Company's corporate purpose.

Development

The Board of Directors must meet at least once a year at plant facilities or Company infrastructure for the purpose of staying intimately aware: (i) of the status and functioning of operations; (ii) the main function and principal concerns of the men and women working on location and (iii) the recommendations and improvements site managers and administrative personnel consider pertinent to undertake.

The previous does not prevent additional visits from Board members and top-tier executives. In the same manner the Board may invite at their discretion business or site managers from other areas of the Company to present in Board meetings, relating the current status of their operations, business progress, contingencies and future projects.

Responsible Party

Secretary of the Board of Directors.

PROCEDURE FOR OPERATIONAL CONTINUOUS IMPROVEMENT

Introduction

The present document establishes procedure for continuous improvement in the execution of Board responsibilities. The objective is to detect areas for improvement and eventually implement said improvements. All action taken to improve are in fields of action inherent to the Board in accordance with the law, Company by-laws and areas considered good management practices.

As a result, directors must answer the survey below every year to help them find areas for improvement and eventually implement said improvements in areas of action that serve social interest. The survey is presented to the President of the Board.

The survey is not meant as a tool to measure the function of Board members individually, but rather the Board as a whole as an administrative body.

SURVEY FOR THE FORMAL CONTINUOUS IMPROVEMENT PROCEDURE IN OPERATIONS

Instructions:
Based on your experience, please rate the following statements from 1 to 4 for each of the functions of the Board, where 1 is the lowest development, and 4 the maximum for each case.

Activities	Level of Development
Contributes to the development of corporate strategy.	
Understands relevant competitive trends and guides, challenges and questions administrative assumptions (upper management).	
Defines upper management corporate goals and ensures they are measured and monitored to ascertain Company performance.	
Oversight of assessment methodology looking at performance of company workers, including the General Manager and top-tier executives.	
Approve Company risk management models, their policies and administration.	
Ensure compliance with legislative and the Company's internal regulations.	
Safeguard adequate access and handling of strategic information or data relevant to the Company.	
Monitor control or internal audit processes.	
Approve budgets and business plans in the long, mid and short term.	

Activities	Level of development
Revise and approve corporate policy.	
Approve capital investment, mergers, acquisitions and branch sales.	
Safeguard the effectiveness of good practices in Corporate Governance, including the function of the Board of Directors.	
Analysis and approval of the Integrated Report, including but not limited to the interests of other stakeholders also being assessed in terms of social interest.	
Should there be any other please mention it here.	

The results of the survey are analyzed in conjunction between the Board of Directors and General Manager, the intention being to identify possible areas for improvement and resolve said areas in the pertinent Board sessions where necessary.

BOARD ACCESS TO INFORMATION

Introduction

The present document establishes the policy that will allow directors secure remote access to relevant information on issues discussed in Board meetings and other formal Board instances, as well as permanent secure remote access to archived documents.

Development

The Company directors can access securely and remotely information discussed in Board sessions via the Minutes Remote Access System, from here on referred to as the “System”.

The General Manager, with a minimum of at least 5 days prior to the respective session, must send all the directors the minutes or itinerary summary for the upcoming session and all other records and information that will be presented therein, in addition to any other material required to prepare for the meeting.

Once the corresponding Board Meeting has finalized, with at least 5 days prior to the next session, the Board Secretary must provide the Directors with a remote rough draft of the minutes for comments and observations.

The directors have access to rough drafts, comments made on those drafts and final versions of the minutes duly signed by all the attendees, and all other documentation relevant to that session as provided to the Directors in conformity with the procedure described herein.

The system organizes session minutes by number, as well as the folders containing the information presented in every Board session.

Responsible Party

Secretary of the Board of Directors.

INFORMATIONAL PROCEDURES FOR APPLICANTS TO DIRECTOR POSITIONS

Introduction

The present document establishes the procedures required to provide shareholders with information on candidates for Directors. It is one of the Board's purposes to ensure adequate and timely information for the market and shareholders respectively regarding the application process, candidate profiles and director elections.

Development

Any natural person can be elected director provided they fulfill the requirements described in Company by-laws to that effect. They must also comply with a set of conditions specifically stated regarding their election.

Despite anyone potentially fulfilling the requirements for application, the Board of Directors does promote among shareholders that the election prioritize candidates that add a clear element of diversity to the Board – in gender, training and experience – in order to optimize Board function as a chartered, diverse and expert body.

The General Manager will provide shareholders and the general public alike with at least two-days notice for the meeting where possible, giving them: (i) all the documentation and information on those who apply for a director position in the Corporation, including documents relevant to their experience, profession or trade, and whether they have maintained contractual, commercial or any other type of relationship with the controller of the Corporation, or its main competitors or suppliers, in the last 18 months, sending to the Company; (ii) the list of candidates for director that have accepted their nomination and stated they are fully eligible to fill the position, and (iii) in the case of applicants to an independent director position, a sworn statement as required in paragraph five of article 50 bis of Law 18,046.

The aforementioned collected information will be added to the corporate website (www.cmpc.com) where all the information pertinent to each candidate will be posted, to the extent they have provided said information.

It is not the Company's responsibility to prove or validate the veracity of the information sent to them, rather they are simply limited to receiving and providing said information to the shareholders via the website.

Responsible Party

General Manager.

PROCEDURE FOR PUBLIC DISCLOSURE

Introduction

The present document establishes procedure for how the Company releases information to the public, information regarding issues of social responsibility, sustainable development, interest groups, risks and indicators for the same issues released every year. It is also intended as a means to create mechanisms that facilitate analysis and evaluation of the information the Company divulges to the market, information such as social responsibility, sustainable development, interest groups, risks and indicators for the same.

The Company prepares an annual Integrated Report which covers the at least the following topics:

a) Corporate practices in sustainable development as well as their respective measuring indicators;
b) Goals and specific objectives in sustainability;
c) Community relations and interest groups;
d) Relevant risks including sustainability despite what is indicated on the topic in "Notes on Risk Management" which is included in the Company Financial Statements;
e) How goals in sustainable development have evolved.

For the purposes of the stipulations in this procedure, the Company must follow the principals detailed in the International Integrated Reporting Council (IIRC), and the standard guidelines laid out in the Global Reporting Initiative (GRI).

The Integrated Report will be made available to the public and the market on the corporate website www.cmpc.com.

Responsible Party

Manager of Corporate Affairs.

CONTINUOUS IMPROVEMENT IN PROCEDURES FOR MARKET DISCLOSURE

The present document establishes the process behind revising and continually improving on the information the Company presents to the market.

The objective is to create mechanisms that facilitate the analysis and evaluation of the sufficiency, opportunity and appropriateness of the data the Company divulges to the market,, this for the purpose of allowing the Board to determine the need to improve on the process of drafting and disseminating information disclosed to the market, ensuring it is provided to the public in its entirety, that it is truthful and easily understood.

The dispositions described in the Procedure are mandatory for (i) Administrators that are required to report; and (ii) persons that for the purposes of their position, activity or relationship to the Company are given access to Information, for example, external auditors, banks, lawyers among others, all of which must be in strict compliance with the Data Management Procedure.

Procedure

The Manager of Corporate Affairs must keep a physical or virtual chronological record of any and all market disclosures that impact the Company, as defined in the Manual for Market Interest Data Management. The log records all the content disclosed to the public and the manner in which it is disclosed.

In the same manner the Corporate Auditor must also keep a physical or virtual chronological record of any and all communication both sent and received by the FMC, Stock Exchange or other public organisms associated with the disclosed information.

The General Manager will notify the Board when the number and date of any communication received is requested from him/her, as well as how it is classified according to content disclosed by the Company. This also extends to how the data is handled in the event the communication occurred prior to when the report was issued.

The Board of Directors can request additional or complementary information from the General Manager, and must analyze whether the information was sufficiently disclosed, divulged in a timely manner and that the information is actually pertinent. Once a year the Board will review the written record and, should they deem it necessary, propose measures to improve on the form, opportunity and appropriateness of the information communicated by the Company.

Responsible Party

General Manager, who in extraordinary circumstances and certain cases that qualify, can delegate to other Company executives one or more functions required for this particular Procedure.

Update and Custody

The update and custody of this particular procedure is the purview of the Secretary of the Board of Directors.

RISK MANAGEMENT AND CONTROL PROCEDURES

Introduction

To approach the topic of risk management, CMPC created a Risk Management Program based on COSO, ERM, ISO 31,000 standards and on best practices.

The main pillars of the Program are governance and methodology. Governance is the governmental structure the Company establishes to implement and maintain the Program. Methodology is the set of elements that are executed to implement the Program.

Objective and Scope

The effectiveness of the Risk Management Program depends on good governance, governance that includes well-defined roles and responsibilities, as well as a clear process on how to supervise the risks and their management. In this manner, Corporate Risk Policy is intended to establish risk governance, in conjunction with the roles and responsibilities of the different actors associated with the Program.

In addition, it is important to rely on clear methodology that allows for the consistent implementation of the Program throughout the entirety of CMPC. This is defined by the Corporate Risk Procedure.

General Principals

- The Board considers risk management an integral part of the corporate strategic management.
- The Board promotes a culture of risk management.
- Risk management contributes to decision-making by providing better information on risk.
- Risk management must be integrated into all corporate activities, including definition and strategic planning, investment projects, mergers and acquisitions, business processes and the value chain.
- Risk management contributes to creating, preserving and materializing value.
- Risk management helps when managing uncertainty that can be equally interpreted as threats or opportunities.
- Risks are managed within Risk Appetite and risk tolerance levels.
- Risk management is everyone's responsibility, with specific assigned roles to different groups or levels within the organization.

With the purpose of providing greater publicity to risk management, this particular area will be described in detail and reported periodically in the "Note on Risk Management", a segment of the Financial Statement.

Governance; Roles and Responsibilities

The Board has approved the implementation of the Risk Management Program in conjunction with approving the Policy. It is up to the CMPC Board of Directors to set corporate criteria, and it is up to the Boards of respective subsidiaries to approve levels of materiality and their corresponding mandatory risk controls, as well as regular monitoring of risk management indicators.

CMPC's Risk Management Administration reports to the Committee of Risk and Auditing three times a year, and once a year to the Board of Directors. The Administration of the department has the role of ensuring the application of the risk management model at CMPC, and to coherently and systematically lead the transfer and application of best practices in these areas.

Additionally, the administration establishes an executive Risk Committee, led by the General Manager and made up of all the lead executives, meeting at the same frequency a as the Committee of Risk and Auditing. Each business area also sets committee opportunities led by their respective general management to supervise the implementation of the Program, and, manage the main identified risks. They also report their management plans to their respective Boards.

Each main risk is associated to an executive level risk manager, corresponding to one of the members of the Executive Risk Committee.

Lastly, Internal Auditing reports directly to the Committee of Risk and Auditing. They are responsible for issuing an independent opinion on risk management and internal control at the Company. They are also responsible for auditing the design and implementation of the Program. On the other hand, the Director Committee meets at least three times a year with the external auditing company, to then inform the Board of Directors in the following Board Meeting.

Methodology and Risk Cycles

The methodology is applied to risk cycles in four stages:

- Risk Identification, Evaluation and Prioritization
- Risk Analysis and Detailing
- Handling and Response to Risk
- Monitoring and Reporting Risk

The identified risks are prioritized in accordance with their potential severity. Risks with a potential impact of High, Very High or Catastrophic are analyzed using cause and effect methodologies that make it possible to determine critical controls, both preventative as well as mitigating, and the level of residual exposure to each prioritized risk. Risk is classified according to different types of consequences: (i) the health and safety of human resources, (ii) the environment, (iii) communities, (iv) compliance with duties and obligations, the law, regulations and internal norms, (v) image and reputation, and (vi) financial. According to the level of residual exposure, and considering risk appetite, they determine the handling and response measures. Finally, risk and management indicators are set to monitor risk exposure and report to each of the executive level committees such as the Board of Directors.

As part of the handling and response measures, for certain risks there lies the possibility of transferring them to third parties, usually to insurance companies. The different Business Areas and Subsidiaries must identify their need to transfer risk according to a risk assessment for each business/project, and draft proposals with the necessary coverage. Designating Insurance Companies is done at the corporate level and insurance policy administration is executed in compliance with Internal Regulations on the matter.

Responsible Party for Implementing the Program

Risk Management

CHANNELING REPORTS - PROCEDURE

Introduction

The present document establishes the procedure for a reporting channel, in line with the CMPC Reporting Hotline Protocol and other documents associated with the use of this tool.

The Board of Directors – for the purpose of promoting the detection of possible internal systems failures, non-compliance and any other situation contrary to the law, the regulations, values and principals that inform the actions of the Company – have implemented a reporting system for the purpose of maintain and protecting the highest ethical standards and integrity.

Procedure

The Board of Directors has approved the implementation of a reporting system via a Reporting Hotline users can access on the www.cmpc.com website, and the Company's own internal web platform. It is via this simple hotline that shareholders, workers or any other person can report anonymously, confidentially and securely, situations they observe that go against the law or Company ethics, and, in general, report on any situation that may jeopardize their rights or become a risk to themselves or to the Company.

For the purpose of promoting employee worker reporting, the system guarantees absolute anonymity if the reporting party so desires, and if not, the confidentiality of their identity.

Once the report has been made, the complainant, via the same channel, can check on the status of their report and watch its progress. The Company has absolutely no tolerance for any type of reprisal against those who use the system in good faith.

The investigative process delving into the reports is the responsibility of Corporate Auditing. The investigation itself follows the direction explicitly laid out in the hotline manuals. Progress, cases and statistics is the responsibility of the Ethics and Compliance Committee which in turn reports all complaints, current investigation and all action they have recommended to the Board of Directors.

Responsible Party

Corporate Auditor.

PROCEDURE FOR PROFESSIONAL DEVELOPMENT AND SUCCESSION

Introduction

The present document establishes the procedures for professional development, which set to identify diversity in skillsets, knowledge, experience and vision Company executives should ideally have. This document also lays out the procedure governing succession. The objective is to provide a mechanism executives can rely on that facilitates adequate corporate function in the event of a replacement or loss of General Manager or top-tier executives whose functional continuity is essential to the Company.

Procedure

Created as a means to identify diverse skillsets, knowledge, conditions, experience and vision ideal to executive level positions, the Company has implemented an annual assessment system that takes into consideration the following factors: Leadership; goal-orientation and excellence; openness to change and entrepreneurship; Sustainable management; Teamwork; Management skills and adherence to CMPC Values and Culture.

In that manner the Company now banks on a performance management system as an integrated part of the development cycle for corporate executives. A system that identifies strengths and generates individual development plans by evaluating personnel objectives and competencies, allowing executives and workers in general to perform their duties better, and boost their professional growth. The implemented evaluation system generates mobility and development in virtue of their own merit.

For the purpose of ensuring continuity of Company function and operation in preparation of an unforeseen failure, replacement, absence, resignation or any other case or circumstance that implies a temporary or permanent rift between the General Manager or any one of the top executives and their function at the Company, the following procedure is activated:

The Board of Directors must evaluate if there are any potential candidates in the ranks of Company executives to take over the role of General Manager in the event the former manager is somehow taken away from their duties.

The previous notwithstanding, and in any case, it is the General Manager, or corresponding executive's responsibility to keep up to date in their training and inform their habitual replacement of their duties in the case of common absences such as holidays or sick leave, making sure their obligations in terms of the confidentiality inherent to their role is in no way compromised.

POLICY REGARDING COMPENSATION, INDEMNITIES AND INCENTIVES FOR MANAGERS AND TOP-TIER EXECUTIVES

Introduction

The present document establishes the policy regarding compensation, indemnities and incentives for managerial and top executive positions. It is intended to promote top quality management practices, manage risk exposure and align priorities and incentives for the Company's top-echelon executives with Corporate Management's goals in the short, mid and long term, all of which trend toward protecting social interests.

In the same manner, the procedure also seeks to minimize the actions of top-level executives that do not comply with the Corporation's interests and values, and provide early warning in those cases.

General Policies

General Manager and top-tier executive income must be governed in essence according to market criteria. Said income could have a fixed component and another variable component. Variable income must incentivize executives to seek out relevant achievements that satisfy Board expectations, and are also aligned with social interests, associated criteria for sustainability, and compliance with long-term strategic goals.

For their part, fixed earnings for General Managers and top-level executives must be informed by sustainable performance, in other words, a performance that translates into satisfactory profitability and sustainability for the Corporation in the long term.

Given the previous, by determining compensation for top executives what must first be taken into consideration are the general interests of the Corporation but, in order to determine said interests, the specific goals and incentives for the executive's area must also be taken into consideration. Top-tier executive performance must be evaluated using performance factors that match Board guidelines.

The Board of Directors must make sure that top-tier executives understand and assimilate the goals the Board has established for the Corporation, and, they must be willing to work loyally toward achieving those goals and objectives and understand their relation with remuneration and compensation plans.

The criteria for variable compensation may correspond to achievements of any nature that the Board of Directors consider pertinent to incentivize, and in every case make sure they are aligned with the Corporation's criteria regarding sustainability.

The previous has led the Board to not provide incentives, nor indemnities for achievements in gross profits or benefits linked to returns that haven't materialized, whose definitive situation may change in the future. The Board has also endeavored to avoid setting incentives based on measuring partial aspects; achievements that could imply a deterioration of other aspects equally necessary to the Corporation.

Indemnities for top executives, let go for whatever reason, must be subject to market terms for similar positions in equivalent companies. No one can participate in decisions regarding their own remuneration, be it fixed or variable.

The Board will revise wage structures, compensation policies and indemnities for the General Manager upon the proposal of the President of the Board, and the other top executives upon the proposal of the General Manager, all to ensure compliance with the guidelines established for this procedure. The Directors Committee and the Board of Directors will research these structures and definitions on an annual basis.

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Last Update 07/2021