

FALABELLA



GENERAL INVESTIGATION PROCEDURE

I. Introduction

The General Investigation Policy of Falabella provides for the existence of a uniform General Investigation Procedure, which must be consistent and in harmony with and respectful of the principles and standards established in said Policy.

II. Objective

This Procedure is intended to facilitate compliance by all Associates and Investigators under the working and behavior rules and standards in the conduct of Investigations inside Falabella, in order that the same shall apply and comply with the objectives described in the General investigation Policy.

III. Scope

This Procedure is corporate in scope, and therefore applicable throughout Falabella, and all Associates are expected to implement and be bound by the same.

IV. Definitions

The capitalized terms used in this Procedure are defined in Exhibit 1.

V. Procedure

1. Analyzing Background Information Prior to Commencing an Investigation

The Ethics Department must, within no later than 5 calendar days following its receipt of background information:

- i) Determine whether an Investigation is justified or not;
- ii) If the answer to the above question is:
 - a) Negative, then the relevant area will be free to conduct any inquiries deemed necessary, if any, without necessarily following this procedure; or if it is,
 - b) Affirmative, then the Ethics Department must promptly determine if the requisite Investigation must be an Ethics Investigation or not, and if it must be a Classified Investigation or not;
- iii) If the requisite Investigation is not an Ethics Investigation, the Ethics Department shall proceed to advise the inquiring area on the list of Associates who have received Investigation training, from among whom said area must select one person in case it proceeds with the Investigation.

2. Commencing an Investigation

Investigations shall be conducted solely and exclusively upon request by the Ethics Department or any person having the authority to require them upon conducting an

exhaustive analysis of the need to investigate as provided in the General investigation Policy.

Once the need to investigate has been determined:

- i) If the requisite Investigation must be an Ethics Investigation but not a Classified Investigation, then the Ethics Department shall proceed to:
 - a) Open a case in its ethics case management system; and
 - b) Advise the Business Unit on the need to commence an Ethics Investigation;
 - c) Refer the case by designating an Investigator from among the Associates who shall have received Investigation training and has expertise in investigating facts related to the matter under Investigation;
- ii) If the requisite Investigation must be a Classified Investigation, then the Ethics Department shall proceed to: a) open a case in its ethics case management system; and b) refer the case by designating an Investigator who is a lawyer and who shall have received Investigation training, always in consultation with the Legal Affairs Department.

La Gerencia de Ética, una vez recibido el requerimiento para iniciar una investigación deberá derivar los antecedentes del caso de manera documentada al Investigador, con indicación de, a lo menos, lo siguiente:

The Ethics Department or any person having the authority to require an Investigation shall refer the background information on the case, in documentary fashion, to the Investigator, indicating at least the following:

- a) a brief account of the facts under Investigation;
- b) a reminder of the Guiding Principles for Any Investigation;
- c) indication of whether it is an Ethics Investigation and, in this last case, if it is a Classified Investigation.

The period of time within which the Investigator is expected to deliver his report, in the absence of justifiable delays, shall not exceed 45 calendar days for investigations of facts that do not involve sexual harassment, and a maximum of 30 days for investigations of allegations of sexual harassment.

3. Temporary Measures

At any stage of the Investigation and in order to protect the results of the same, its confidentiality the anonymity of any reporting person who so requests, the physical or emotional wellbeing of any person, the integrity of assets or processes and/or the interest of the Company, the Ethics Department may suggest, to whoever has the authority to implement them, the adoption of temporary measures, being able to implement any one or more of the following measures:

- i) Assign one or more Associates to other functions and/or premises;

- ii) Revoke or restrict granted POAs;
- iii) Restrict access to confidential information of the Company or to certain premises or systems thereof;
- iv) Revoke the authorization to access email and/or internet accounts provided by the Company;
- v) Request the return of computer and/or telephone equipment of the company; and/or
- vi) The suspension of an Associate from negotiation and/or decision-making instances, either only in the operations under investigation or others deemed pertinent.

4. Investigation Activities

Investigation activities include the following:

4.1. Planning the Investigation

The Investigator must plan the Investigation, preparing a work plan prior to the Investigation as a guide to help define the strategy and plan the activities to be conducted during the Investigation, considering all the relevant information on the case.

It is important to plan out the Investigation because it saves time and resources, prevents logistical problems when conducting the Investigation and ensures an Investigation in compliance with the General Investigation Procedure and this procedure.

4.2. Collecting Evidence

The Investigator may ask any Associate to deliver and/or collect all the documents and records in any support or format, as well as any other item deemed useful by the Investigator to clarify the facts under investigation and any liabilities. In the request, the Investigator must indicate that the evidence required will be part of an Investigation.

The collected information or data must be catalogued and kept by the Investigator, ensuring that they are not altered in any way. In case of electronic documents, hardcopies must be made using adequate, sufficient technical procedures so as not to alter the originals, in order to conduct reviews and generally to work on them.

No e-mails or other forms of correspondence or private communications will be collected other than with the express consent of the affected party.

The investigator shall keep the collected elements and shall not destroy them other than with the prior express consent of the Ethics Department.

4.3. Interviews

The Investigator must endeavor to interview all persons, Associates or otherwise, who may contribute information of use toward the Investigation.

The first activity that an Investigator must do with a view to conducting an interview is to summon the person and clearly indicate that the interview is part of an Investigation. The dates, times, duration and purpose of the interviews must be announced reasonably in advance, respecting working hours and rest periods of the interviewee. As to the purpose, this information may be left out of the summons if such disclosure could threaten the success of the interview.

Interviews will be conducted at the offices of the Investigator or in another location ensuring a private setting and protecting confidentiality.

When beginning the interview and before starting with the questions, the Investigator must advise the interviewee of the following:

- i) Role of the interviewee: the Investigator must advise the interviewee on the role in which s/he is being interviewed, i.e. if as the person accused in the report, as a witness, as an expert or otherwise.
- ii) Type of Investigation: the Investigator must advise the interviewee whether the Investigation is an Ethics Investigation or not, and if it is a Classified Investigation or not.
- iii) Presence of lawyers: if the Investigator who is interviewing or if the person accompanying him/her is a lawyer, the interviewee must be told the following:
 - a) That said lawyer is a lawyer for the Company and for no Associate of the same;
 - b) That the attorney-client privilege is held solely and exclusively of the Company; and
 - c) That, in relation to the merits of the interview, the Company may decide to waive confidentiality and disclose what the interviewee tells it within the context of a potential external investigation or litigation.

Once the above steps have been completed, the Investigator must secure the interviewee's written consent whereby s/he states that s/he is being interviewed voluntarily and also agrees to keep the topics discussed in the interview confidential. If the interviewee refuses to sign this statement, the interview will end immediately, making a record of the interviewee's refusal and any other statement s/he makes to the interviewers.

During the course of the interview, the Investigator must carefully adhere to the following:

- i) Forbidden questions: Interviewers must refrain from asking questions that: a) affect or are felt as encroaching on the interviewee's privacy; b) probe the personal opinion of the interviewee about an individual; and which c) could somehow manipulate or lead the interviewee's answers.
- ii) Duration: as to their duration, interviews must not take longer than the time planned and advised to the interviewee. To this end, interviews must be planned to last only as necessary to obtain the information being sought, depending on the complexity

of the investigation. The interviewee may end the interview at any time, something that will be recorded in the minutes of the interview taken by the Investigation.

- iii) Presence of two Investigators: interviewees must be conducted in the presence of two Investigators at least, taking note of the identity of the Investigator who will exercise the role of interviewer and relevant objective and subjective factors to be considered, such as, for instance, the gender and level of technical expertise of the interviewee, as well as any potential conflict of interest with the interviewee. The second Investigator will attend in the capacity of authenticating officer.
- iv) Written record of the interview: the Investigator must take the minutes of the interview, which document must fairly represent the questions asked and answers given, being careful with the order in which they were asked and answered, respectively. The Investigator may, with the express written consent of the interviewee, make audio and/or video recordings of the interviews, which, if made, must contain a complete record of the interview.
- v) Choice of venue: the Investigator will determine the venue of the interview in order to ensure that the interviewee feels comfortable and is not distracted, allowing for the interview to remain confidential.

4.4. Request for Technical Reports

The Investigator may ask any Business Unit or Support Area for technical reports in case the case so warrants, due to either the level of complexity or specificity of the matter under investigation.

In his/her request, the Investigator must note that the Report will be made part of an Investigation, and therefore the Business Unit or Support Area will have to comply, in its preparation and issuance, with the Guiding Principles for Any Investigation as contained in the General Investigation Policy. In said request, the Investigator who requires the technical report must include a summary of those principles.

4.5. Other Activities

The Investigator may conduct other Investigation activities or efforts not previously mentioned, for instance, inquiries into open information sources, review of public profiles in social networks, site visits and inspections, taking photographs or review of video recordings and images taken by surveillance cameras, etc.

5. Investigation Report

An Investigator must complete his/her work by issuing a written Investigation report, in physical or digital supports, not allowing the reader to make any changes or alterations.

The following is the minimum content of the Investigation report:

- i) A clear description of the facts under investigation;

- ii) A list of the activities and efforts conducted, indicating their dates, locations and intervening parties;
- iii) An explanation of the findings of the Investigation and the supporting evidence thereof;
- iv) An analysis of the facts, indicating: a) whether the circumstances under Investigation occurred or not, b) the identification and participation of the persons responsible for those circumstances, if any; and c) causation between the facts and the persons responsible for the same;
- v) The Investigator's conclusions; and
- vi) The inclusion, in the report or in exhibits, of means whereby the findings of the report will be evidenced, in his/her opinion.

All Ethics Investigation reports must be submitted solely and exclusively to the Ethics Department, which will process its distribution to the people with a need to know the same. All classified investigation reports must be submitted solely and exclusively to the Legal Affairs Department, which will process its distribution to the people with a need to know the same. Any Investigation report on a non-Ethics Investigation must be submitted to the person having the authority to request it.

6. Specials Rules for Classified Investigations

6.1. Investigators for Classified Investigations

All Classified Investigations must be conducted solely and exclusively by Investigators who are lawyers. In determining the persons who must conduct those Investigations, the Legal Affairs Department shall especially take into consideration whether it is convenient or necessary for those lawyers to be External Investigators, in order to ensure the independence of the Investigation, the attorney-client privilege and custody of the findings, evidence or efforts that are part of the Investigation.

6.2. Classified Investigation Reports

To protect the attorney-client privilege, the Legal Affairs Department must determine who among non-attorneys may have access to the respective report. In this determination, the Legal Affairs Manager must only grant access to the reports to those individuals who, because of their function and the level at which they exercise the same, are able to establish or direct generally the conduct of business at the Company and are free of conflicts of interest in this matter. The above is so because the attorney-client privilege is held by the Company and not by any specific Associate.

In the cases described in the previous paragraph, in order to make it viable for the information and findings of a Classified Investigation nevertheless be used for specific purposes other than the provision of legal advice or assistance within in the context of the attorney-client relationship, as is the case of the need to implement controls, improve processes, conduct specific probes or adopt labor-related measures, the Legal Affairs

Department may generate edited versions of the report into a Classified Investigation. In those edited versions, the Legal Affairs Department must block or cover legally sensitive information and information subject to the attorney-client privilege, thereby preventing access to the same. In any case, it must always be the same report, visibly edited. The Legal Affairs Department must always keep custody both of the original versions as well as of the edited versions of its Classified Investigation reports.

7. Investigations into Criminal Offenses

If during any investigation, one becomes aware of any facts that would point to criminal activity on the part of any Associate, or which could entail criminal liability for the Company, the Investigator must immediately advise the Legal Affairs Department on that circumstance, for it to decide whether or not to qualify it as a Classified Investigation. If so, the Legal Affairs Department must take over the investigation immediately.

VI. Compliance with the Procedure

The Governance, Ethics and Compliance Department, through the Ethics Department, shall ensure that this Procedure is complied with, and will adopt the requisite measures in case any breach is detected.

VII. Related Documents

- Integrity Code
- General Investigation Policy

Exhibit N°1 Definitions

Las palabras y términos que se definen seguidamente, cuando ellos se escriban con mayúscula inicial según se hace en sus respectivas definiciones que siguen más adelante, fuere o no necesario conforme a las reglas ortográficas del uso de las mayúsculas, e independientemente del lugar de este Procedimiento en que se utilicen, o si se emplean en una persona, número, modo, tiempo o variable gramatical, según sea necesario para el adecuado entendimiento de la misma, tendrán los significados que a cada una de dichas palabras o términos se les adscribe a continuación:

“Support Area” means an identifiable organizations providing human and material resources in Falabella to meet a given functional need in lending support to the conduct of business thereof, and not consisting in the implementation of the value proposal of a Business Unit, e.g. systems, human resources, legal, etc.

“Internal Audit” means the Support Area in charge of the internal auditing function of a Business Unit, a Country, or at the Corporate level.

“Integrity Code” means the guide that establishes the principles and values of the Company and indicates the behavior expected of Associates.

“Associate” means i) any and all persons related to a Company under an employment contract and/or providing services on a fee basis; ii) anyone acting on behalf of a Company irrespective of the nature of the relationship therewith; and iii) all the members of the board of directors or any other multi-member body of senior management that applicable law requires of any Company.

“Company” means any Falabella company to which the provisions of this instrument could be applied in any particular case.

“Corporate” means that which refers to, is done for or is applicable to: i) each and every one of the Falabella Companies; or ii) a Business Unit as a whole, including all its Countries.

“Falabella” means, i) Falabella S.A.; ii) any other legal entity in any jurisdiction in which Falabella S.A. controls, directly or through another individual or entity, more than 50% of its voting capital stock or capital if not a stock company, or is able to elect or designate or have elected or designated a majority of its directors, board members or administrators; and iii) any other legal entity in any jurisdiction in which Falabella S.A. controls, directly or through another individual or entity, 50% or less of its voting capital stock or capital, provided that the former is known to the public as a business with trademarks of Falabella S.A., or of any of the Falabella companies described in ii) above.

“Legal Affairs Department” means the Support Area in charge of the legal function of a Business Unit, a Country, or at the Corporate level.

“Ethics Department” means the Support Area in charge of the ethics function of a Business Unit, a Country, or at the Corporate level.

“Governance, Ethics and Compliance Department” means the Support Area of Falabella that reports to its Legal Affairs and Governance Department, in charge of leading and coordinating governance, ethics and compliance matters for all Falabella .

“Investigation” means the acts of an investigative nature and purpose as a whole aimed, to the greatest extent possible, to: i) know the events under inquiry, ii) determine the identity of the persons who participated in such events, if any; and iii) determine the responsibility each such person has, if and when applicable.

“Ethics Investigation” means an Investigation conducted to shed light on facts and responsibilities associated with a potential violation to the Integrity Code or the standards related thereto, of Falabella.

“Classified Investigation” means an Investigation that, due to the nature and potential legal implications of the events under investigation, must be conducted solely and exclusively by Investigators who are attorneys, whether Associates or External Investigators, under the responsibility and through the auspices of the Legal Affairs Department and Ethics Department.

“Investigator” means a person conducting an Investigation.

“External Investigator” means a third party unrelated to Falabella and retained by the same to conduct an Investigation or one or more specific activities related to an Investigation.

“Need to Know” means a communication or participative criterion, in an Investigation, whereby: i) the information is given or disclosed solely and exclusively to whoever has a role to exercise in the Investigation or in connection therewith, for example: a) conduct an investigative activity; b) make a statement; c) prepare a report; or d) review the findings in a report and issue an opinion thereon; ii) the information is disclosed or shared restrictedly, limited to what the recipient needs to know to exercise his/her role in the Investigation; and iii) the information is shared only at such time as it is necessary to deliver the same, neither before nor after.

“Country” means any country where one or more of the Falabella Companies do business.

“Guiding Principles for Any Investigation” means such basic elements according to which Investigations are to be conducted, as described in the General Investigation Procedure.

“Business Unit” means each group of business activities of the Falabella Companies constituting a value proposal identifiable by the general public under a given line of business,

e.g. department stores, home improvement, shopping malls, financial services and supermarkets.

Exhibit N° 2
Written Consent for Investigation Activities

Case N°: _____

Date: _____

I, _____, identification card number _____, in the position of _____, addressed at _____, and, while on the premises of _____, in the presence of the following investigators

I declare that:

- 1) I have been advised and I know of the existence of an internal investigation into a potential violation to the Integrity Code, internal company regulations or the law;
- 2) I voluntarily accept to participate in this interview;
- 3) The venue of the interview ensures its confidentiality and protects my identity.

Special consent: If the interviewer so requires, s/he may ask the interviewee for his/her consent to record the interview on audio and/or video.

At the request of the investigator, I expressly authorize the conduct of the following investigation activity (mark with an "X"):

- a) Interview recorded on audio and/or video ()
- b) Telephone interview ()

Signature

**Exhibit N°3
Confidentiality Declaration by Investigator**

Case N°: _____

Date: _____

I, _____, identification card
number _____, in the position of
_____, addressed at
_____.

hereby declare that:

I have been advised of and understand the need to keep confidential:

- 1) The existence of the investigations being entrusted to me within the framework of a potential violation of the Integrity Code of the company, its internal regulations or the law;
- 2) The identity and any other data allowing for the identification of all the persons involved in the investigation;
- 3) The background information, findings, activities conducted and generally the contents of an investigation;
- 4) Contents, analysis and conclusions of a final investigation report; and
- 5) The documents given such status.

I understand and acknowledge that any breach of this confidentiality duty in the case of ongoing investigations shall be deemed an extremely serious breach under the General Investigation Policy, and a serious breach in other cases.

I agree to conduct the investigations entrusted to me in strict adherence to the General Investigation Policy and General Investigation Procedure.

Signature

Exhibit N°4
Written Consent to Examine Computer and E-Mails

Case N°: _____

Date: _____

I, _____, identification card
number _____, in the position of
_____, addressed at
_____.

hereby declare that:

- 1) I authorize that an examination be conducted on my computer, the files contained therein and _____ e-mail address _____@_____, its electronic correspondence, the forwarding, saving and printout of the same, to be conducted by my employer and its external legal counsel;
- 2) The consent includes the use of the information in the judicial and/or non-judicial procedures, instances or activities that my employer deems pertinent within the framework of an internal investigation.

Signature

CLASSIFICATION Internal Use	APPROVAL DATE 12/04/2017	Procedure No. 1
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VERSIONS CONTROL					
Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Approver
12/04/2017	1	Original text	Ethics Department of Falabella	Governance, Ethics and Compliance Department - Falabella S.A..	Gerencia o directorío?
28/08/2019	2	Adaptation to the new Crime Prevention Model	Ethics Department of Falabella	Governance, Ethics and Compliance Department - Falabella S.A.	Gerencia o Directorío?