



S.A.C.I. FALABELLA

Open Stock Corporation
Registration in the Securities Registry N° 582

EXTRAORDINARY SHAREHOLDERS' MEETING

By resolution of the Board of Directors and in accordance with Law No. 18,046, it has been decided to call the shareholders of S.A.C.I. Falabella (the "Company") to an extraordinary meeting of shareholders (the "Meeting") on August 20, 2018, at 3:00 p.m., to be held in the Alamo AB Room of the Courtyard Hotel, located at Av. Kennedy 5601, 7th floor, Las Condes, Santiago, in order to be informed and decide on the following matters:

- a) **Capital Increase:** as the first item on the agenda, approve the following interdependent matters related to a prospective capital increase in the Company:
- a. Conducting an increase of capital in the Company by issuing 84,330,000 new cash shares without par value, all of the same and only series in existence, which, valued as indicated in articles 23 and 132 of the Stock Companies Regulations in relation to withdrawal rights at the date of the Meeting called hereby, would yield a total amount for the capital increase in the sum of \$505,188,141,300, which capital increase, if approved, will have to be paid up in pesos, lawful Chilean currency (in cash, check, cashier's check, electronic transfer of same-day funds or any other instrument or paper representing money and payable on sight), within a maximum of three years as from the date of the Meeting, at the placement price and on such other conditions as agreed at the Meeting. In order to reflect the capital increase in the bylaws, it is proposed to amend the text of the current article five and interim article of the bylaws of the Company.
- b. Authorize the Board of Directors of the Company to request the registration of the shares that represent the capital increase in the Securities Registry kept by the Financial Market Commission and in the Santiago Stock Exchange, and commence the process conducive to the placement of the cash shares such as are agreed at the Meeting to be issued;
- c. Agree that, concurrently with and in addition to the offering of the new cash shares to be conducted in Chile under Chilean law, a private offering thereof be made to qualified investors in the United States of America, without proceeding with the registration of such shares in said country, under Rule 144 A and Regulation S of the 1933 United States Securities Act.
- b) **Delegation of Authority to the Board of Directors to Establish the Final Price of the Shares:** as the second item on the agenda, authorize that the Board of Directors be delegated the authority to establish the final placement price for the new cash shares, provided that the placement commence within 180 days following the date of the special shareholders' meeting whereby the capital increase shall be approved.
- c) **Authorization for the Simultaneous and Synchronized OTC Sale of Shares:** as the third item on the agenda, grant approval in order that, upon fulfilling certain requirements, and concurrently with the placement of the new cash shares, the sale of shares presently outstanding be admitted in a process simultaneous and synchronized with said placement.
- d) **Operations with Related Parties:** as the fourth item on the agenda, take note of the approval given by the Board of Directors to a related-party operation denominated "Cooperation Agreement" between the Company and Inversiones Los Olivos S.A.
- e) **General Authority of the Board of Directors:** as the fifth item on the agenda, and notwithstanding the authority conferred upon it by law, grant wide-ranging authority to the Board of Directors of the Company to engage in the requisite acts to materialize the capital increase and placement of shares.

PARTICIPATION IN THE MEETING AND POWERS

The holders of shares registered in the Shareholders' Registry Book of the Company at midnight of the fifth business day prior to the date scheduled for holding the Meeting shall be eligible to participate therein. If any shareholders are unable to attend, they may be represented at the Meeting by another person who need not be a shareholder. The qualification of proxies for the Meeting, if applicable, shall be conducted on even date therewith, and at the same location where the shareholders' meeting shall be held, at such time as it is scheduled to begin. For greater convenience, the shareholders are asked to submit their proxies on the date and at the place of the Meeting starting at 2:00 p.m.

VOTING SYSTEM

In accordance with the provisions of Article 62 of Law No. 18,046 on Corporations, it is informed that the matters submitted for decision of the Meeting shall be put to the vote individually by "ballot papers" system, unless, by unanimous agreement of the shareholders present and entitled to vote, it is permitted to omit the vote on one or more matters and proceed by acclamation.

COPY OF THE DOCUMENTS SUPPORTING THE DIFFERENT OPTIONS PUT TO THE VOTE

The shareholders may obtain copies of the documents that explain, support and detail the different matters submitted for the knowledge and approval of the Meeting at the registered office, located at Manuel Rodríguez Norte 730, Santiago, Chile, as of this date. Likewise, as of today, they will be available to shareholders on the Company's website www.falabella.com under the "Investors" section.

THE PRESIDENT