

FREE TRANSLATION FROM SPANISH

Information to S.A.C.I. Falabella's Ordinary Shareholders' Meeting

According to Article 59 of Law No. 18.046 concerning corporations, we hereby inform shareholders on the various topics to be discussed on occasion of S.A.C.I. Falabella's Ordinary Shareholders' Meeting to be held on April 28, 2015 at 15:00, at Del Inca meeting room, Hotel Galerías, located in San Antonio 65, 13th floor.

The agenda will include the following points:

1. **Approval of the Report, Balance Sheet, Income Statement and External Auditors Certificate corresponding to the fiscal year ending December 2014.** This information can be found at the website www.falabella.cl/inversionistas/juntaaccionistas.
2. **Distribution of fiscal year 2014's profits.** The profits of fiscal year ending December 2014 amounted to CLP\$464.728.694.000. The company's Board agreed to propose to the Ordinary Shareholders' Meeting a share-out of CLP\$47 per share as a final dividend, which, when added to the CLP\$25 per share distributed as interim dividend during 2014, gives a total of CLP\$72 per share, charged against the earnings of the fiscal year ending December 2014.
3. **Dividend policy.** The company's Board agreed to propose to the Ordinary Shareholders' Meeting a dividend policy consisting in the annual distribution of at least 30% of the net profits of each fiscal year.
4. **Remuneration of the Board.** Shareholders will have to take a stand on the remuneration to be earned by Board members. To this respect it is proposed not to modify the remuneration of the company's Board and therefore maintain the present remuneration of Falabella's Board, consisting in:
 - (a) A monthly fee of 50 UF for the period in which they hold the position, for each month or fraction of month as of this Shareholders' Meeting. In the case of the President of the Board, the fee will be 615 UF per month for the period in which he/she holds the position, for each month or fraction of month as of this Shareholders' Meeting; and
 - (b) An amount in the equivalent of 0,35% of the net profits of the fiscal year, distributed among all the directors, and allotted to the President a double of the amount received by each director. The directors entitled to receive the above-mentioned remuneration will be those who held their position during fiscal year 2014 and will be distributed among them proportionally according to the period they held their position.
5. **Selection of external auditors and risk classifiers for fiscal year 2015.**

With respect to the selection of the firm in charge of providing external audit services, the board invited EY and Deloitte to submit proposals for such services, on the basis that both obtained the two highest classifications when they set forth proposals in previous years. On this occasion, the directors had to consider, among other items, market knowledge, specific team in charge of the audit, work structure, and acquaintance with the characteristics of our industry.

Therefore, and considering their expertise on the market, their international reputation, the specific work team assigned, their acquaintance with the retail, financial and real estate industries, and the economic proposal they submitted, the board proposed EY as the external audit services firm, and Deloitte in the second place.

Concerning Risk Classifiers, the board proposes to maintain the present risk classifiers, which are:

For the local classification:
Fitch Ratings Chile and Feller Ratings

For the international classification:
Fitch Ratings and Standard & Poor's

6. **Selection of the newspaper in which the Company's publications will appear.** Shareholders will have to select the newspaper which will publish the company's information. The board proposes to maintain El Mercurio as the newspaper in which to publish the company's information.
7. **Account of the operations touched on Title XVI of Law No. 18,046.** Information will be supplied on the company's transactions with related parties.
8. **Report of the Directors' Committee, budget determination, expenses and remuneration setting.** Information will be given concerning the activities of the Directors' Committee and the Shareholders Meeting will be responsible for establishing their remuneration and budget of expenses, according to present regulations.

Concerning remuneration and budget expenses of the Directors' Committee, the Board recommends the following:

- To keep the present UF 17 per session attendance of the Committee members, plus a third of the variable remuneration established for the company's directors for 2015.
- In addition to the above, we propose a fixed monthly fee of 100 UF gross, for the President of the Directors' Committee.
- With respect to the budget expenses, to maintain the present minimum of UF750, and a maximum equivalent to the sum of the annual remuneration of the Committee members.

9. **Other topics under the scope of the Ordinary Shareholders' Meeting.** The right to speak will be given to the shareholders in order to review other topics within the scope of the Ordinary Shareholders' Meeting.