

**Annual Shareholders' Meeting Information  
S.A.C.I. Falabella.**

In accordance with the provisions of Article 59 of Companies' Act, No. 18,046, shareholders are informed about the different issues that will be presented for their consideration at the Annual Shareholders Meeting of SACI Falabella, which will take place on April 29<sup>th</sup>, 2014, at 16:00 hrs., in Salon Inca, Hotel Galleries, located in San Antonio 816, 13<sup>th</sup> floor, Santiago.

The following issues will be discussed:

**1.** Approval of the Annual Report, Balance Sheet, Income Statement and External Auditors Report for the year ended on December 31<sup>st</sup>, 2013. The referred information is available for the shareholders on the website [www.falabella.cl/investors/juntaaccionistas](http://www.falabella.cl/investors/juntaaccionistas).

**2.** 2013 profits distribution. The net income generated on year 2013 reach's the amount of ChP\$443,827,494,374.00 The Board of Directors of the Company resolved to propose the Annual Shareholders' Meeting the distribution, as dividend, of ChP\$40 per share, which added to the ChP\$32 per share dividend al ready distributed during year 2013 (which will be charged to profits of said year 2013) gives a final dividend of ChP\$72 per share to be distributed of year 2013 profits.

**3.** Dividends Policy. The Board of Directors of the Company resolved to propose in the Annual Shareholders' Meeting a dividend policy consisting in the annual distribution of at least the 30% of the net profits of each year.

**4.** Appointment Directors: The shareholders who subscribed the Shareholders Agreement dated on September 24<sup>th</sup>, 2013, proposed to the individuals named hereinafter to fill in the position of Directors of the Board of S.A.C.I. Falabella,, whose election shall be voted and resolved at the Annual Shareholders' Meeting:

1. Carlo Solari Donaggio
2. Juan Carlos Cortés Solari
3. Maria Cecilia Karlezi Solari
4. Carolina del Río Goudie
5. Paola Cuneo Solari
6. Carlos Heller Solari
7. José Luis del Río Goudie
8. Sergio Cardone Solari
9. Hernan Buchi Buc, who was proposed by the referred shareholders, to fill in the position of independent director.

In the website of Falabella ([www.falabella.com/investors/juntaaccionistas](http://www.falabella.com/investors/juntaaccionistas)) it is possible to find a reference of the candidates to fill in the position of Director of the Company, who have submitted to the Company their records and the respective statements about their abilities to assume the position.

**5. Board Compensation.** The Annual Shareholder Meeting shall decide about the compensation to be paid to the members of the Board. In this regard it is proposed not making any changes in the agreed compensation of the Board of Directors of Falabella, and therefore, to maintain the current compensation agreed for the Board, consisting in:

a) Each member of the Board will receive a monthly net allowance of U.F. 50, while performing the position. The Chairman of the Board will receive a monthly compensation of U.F. 615 while performing in said position, for each month or fraction of month, beginning on the date of the Annual Shareholders' Meeting; and

b) The amount equivalent to 0.35% of the net income of the year, divided among all the directors of the company, corresponding to the Chairman twice as much than each other director. The members of the board entitled to said compensation are those that held the position during year 2014 and the compensation will be distributed among them in proportion to the time served.

**6. Appointment of external auditors and rating agencies for year 2014.**

Regarding the appointment of the responsible company for the external audit services, the board called to E&Y and Deloitte, to submit a proposal of services, whereas these two companies obtained the higher scores on the proposals for year 2013. On this occasion it was requested to have special consideration, among other issues, the market knowledge, the specific auditing team, the working structure, and the knowledge of the specific industry. Based on what was just named, and considering, the market knowledge, international presence, the specific assigned team (a Partner change has occurred in E&Y, entering Mr. Marek Borowski), the audit work structure of our company, promoting the independence of it, the knowledge of the reality of the retail industry, either financial and about real estate matters, and considering the financial proposal, the board proposed E&Y as external auditing company, and in second place, Deloitte.

In relation to the rating agencies, the Board of Directors proposes to keep working with the current rating agencies, which are:

For local classification:

Chile Fitch Ratings and Feller.

For international classification:

Fitch Ratings and Standard & Poor's.

**7. Designation newspaper where Company's publications will be made.** The Board shall decide on the Journal in which the Company's publications will be made.

The Board of Directors proposes to keep the journal El Mercurio, as the newspaper in which the publications of company will be made.

**8.** Report on operations made under Title XVI of Act No. 18.046. A report will be made informing transactions made with related parties of the company.

**9.** Report of the Directors Committee, budget, expenditures and salary determination. It will be informed the work of the Directors Committee and the Board will be entitled to fix their compensation and expenses budget according to legislation.

Regarding compensation and expenses of the Board of Directors, the Board proposes to retain the proposal of compensation and expenses proposal currently in force, since the annual shareholders' meeting of 2013, consisting of:

- Compensation of the Directors Committee: To maintain net U.F. 17 for each meeting to which they attend, plus , one third of the variable compensation agreed for the directors of the company for 2014.
- Expenditure budget: It is proposed to maintain a minimum UF 750, and a maximum amount equivalent to the annual salaries of members of the Committee.

**10.** Such other matters considered in the Annual Shareholders Meeting faculties. The shareholders will be allowed to take the floor and present in the shareholders meeting such other matters considered in the faculties of the Annual Shareholders Meeting.