

MASISA

Local Policy

**Law 20,393.
Crime Prevention Model**

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1. INTRODUCTION

1.1. Purpose

Masisa S.A. and its subsidiaries embrace the following business principle:

“We are committed and aligned with ethical and transparent business conduct and high governance standards.”

In order to comply with this statement, the Board of Directors has created a Crime Prevention Model (based on current regulations) that seeks to simultaneously prevent these situations and safeguard the company's assets.

This document describes the existing controls under the Crime Prevention Model of Masisa S.A. (hereinafter referred to as MDP), in order to comply with the requirements established by Law 20,393 on Criminal Liability of Legal Entities.

1.2. Scope

Masisa's MPD applies to all Masisa's stakeholders, including its Directors, Executives, Collaborators, Clients, Suppliers, Public Authorities, Communities and Masisa's Chilean subsidiaries, where there may be a risk of commission of the crimes stipulated in Law 20,393. These companies are as follows:

Masisa S.A.: Its purpose is a) the afforestation or reforestation of its own or third-party land, which must preferably be suitable for forestry; b) the management, felling or exploitation of natural or artificial forests; c) the industrialization and transformation of wood, in all the forms and procedures allowed by current technology; d) the marketing in Chile and abroad of all kinds of forest, wood, wood particle products, both of its own or of third parties; e) the purchase, sale, distribution, import and export, on its own behalf or on behalf of third parties, of all kinds of resources and wood, forestry, livestock and agricultural products and of all kinds of machinery, equipment, vehicles, spare parts, raw materials and supplies for the wood industry and agricultural, forestry and livestock activities; f) to invest capital in forestry or agricultural businesses and in companies derived from them, as well as to incorporate, set up, participate, modify and manage companies of any nature that carry out the aforementioned activities or businesses; g) the purchase, sale, investment and negotiation of all types of transactions related to stocks, negotiable instruments, securities, credit instruments, foreign currencies or currencies, bonds, debentures, mortgage bills, derivative instruments and any other security or capital market investment instrument; h) the acquisition, transfer and negotiation of transactions related to real estate or real estate rights; and, i) provide technical, financial and legal services and other advisory, and coordinate the management of the companies in which it is a shareholder or partner.

Inversiones Internacionales Terranova SpA: Its purpose is to invest capital in Chile and abroad, in industrial companies related to the following activities: the exploitation, brokerage and marketing of products derived from said business and any other activity now or in the future related to the industrial business; and manage, promote, organize, incorporate and participate in companies or associations that develop the aforementioned activities. The foregoing, without prejudice to other activities that may be unanimously agreed upon by the Company's shareholders, whether related to the foregoing or not.

Masisa Capital Venture SpA: The purpose of the Company is a) to make all kinds of investments in securities and negotiable instruments, whether in Chile or abroad, including stocks, membership interests, private investment funds quotas and securities in general, as well as the administration of said

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investments and receiving the benefits therefrom; b) incorporate, acquire, or join entities of any kind or nature as a partner or shareholder or in another direct or indirect way, by using third parties to that end, including individuals.

Masisa Componentes SpA: The manufacture, processing, industrialization, marketing, purchase, sale, import, distribution and export for home, offices, industries and commerce, including the provision of design, installation and assembly services, whether on its own account or through third parties, and making, auctioning and managing all kinds of investments of goods, whether personal or real, tangible or intangible.

Masisa Forestal SpA: Its purpose is to invest capital in Chile and abroad, whether in forestry, agricultural and industrial companies related to such activities; the exploitation, intermediation and marketing of the products derived from said businesses or from any other activity currently or in the future related to forestry; and manage, promote, organize, incorporate and participate in entities or associations that develop the aforementioned activities.

Masisa Partes y Piezas S.A.: The design and/or manufacture of all types of parts, pieces and wooden items in general for the furniture and construction industry and for export, either by itself or through third parties, as well as the provision of services and advice to third parties.

Scaleup SpA: The purpose of the Company is (a) to make all kinds of investments in securities and negotiable instruments, whether in Chile or abroad, including stocks, membership interests, private investment funds quotas, and securities in general, as well as the administration of said investments and receiving the benefits therefrom; (b) incorporate, acquire or join entities of any kind or nature as a partner or shareholder or in another direct or indirect way, by using with third parties to that end, whether individuals or legal entities; and, (c) in general, engage in any other activity directly or indirectly related to the previous ones, as may be agreed by the shareholders.

Fundación San Isidro: Community organization located in the district of Cabrero, through which Masisa carries out its Corporate Social Responsibility.

1.3. History of Law 20,393¹

Year 1997, the “Convention”:

On December 17, 1997, Chile signed the “Convention on Combating Bribery of Foreign Public Officials in International Business Transactions”, hereinafter referred to as the “Convention”, of the OECD. The Convention was approved by that National Congress and enacted by Supreme Decree No. 496, of 2001, of the Ministry of Foreign Affairs.

Its ratification document was left under custody on April 18, 2001.

Year 2002, Criminal Code modification:

Law No. 19,829 was published on October 8, 2002, which sanctions the crime of bribery of foreign public officials in international business transactions, which modified the Criminal Code by incorporating articles 250 *bis* A and 250 *bis* A, in order to comply with the obligations undertaken by Chile when adopting the Convention. Regarding the liability of legal entities, the Convention imposes

¹ History of Law 20,393, Library of the National Congress of Chile, December 2, 2009.

on States the obligation to punish legal entities involved in the crimes of bribery of foreign public officials within the context of international transactions. This is due to the fact that the main crimes in which legal entities are involved are related to corruption of public officials, which produces a profound social impact, usually greater than those resulting from the actions carried out by individuals. To achieve this goal, the States must take the necessary measures to establish the liability of legal entities, so that they are subject to effective, proportional and dissuasive sanctions.

Year 2009, Law 20,393

In order to comply with the international commitments adopted by Chile, to improve our regulation, and to place ourselves at the level of the most developed countries, Law 20,393 on “Criminal Liability of Legal Entities for the crimes of money laundering, financing of terrorism and bribery” was enacted. This allowed legal entities to be held responsible for the crimes indicated therein and became an incentive for them to adopt self-regulatory measures, thus achieving the harmonization of the principles of business and economic freedom, with that of responsibility in the preservation of social values and public order.

Year 2016, first amendment to Law 20,393

As a result of the enactment of Law No. 20,931, known as the “short anti-crime agenda”, the crime of receiving stolen goods, described in article 456 *bis* A of the Criminal Code, was incorporated into the list of crimes mentioned in Law 20,393.

Year 2018, second amendment to Law 20,393

Law No. 21,121 modified the criminal code and other regulations for the prevention, detection and prosecution of corruption, adding 4 crimes to the list contained in Law No. 20,393 (Incompatible negotiation, article 240 of the Criminal Code; Corruption between private parties, articles 287 *bis* and 287 *ter* of the Criminal Code; misappropriation, article 470 No. 1 of the Criminal Code; unfair administration, article 470 No. 11 of the Criminal Code) and increased the penalties for the crimes of bribery, among other amendments to make this law more strict than it was before. In the same way, it modified the name and the scope of the law, focusing on other crimes in the private sphere and as a result, the possibility of continuing to expand the list of crimes contained therein.

Year 2019, third amendment to Law 20,393

Just months after the previous modification, Law No. 21,132 came into force, which strengthens the powers of the National Fisheries Service (“SERNAPESCA”) and incorporated new crimes into Law 20,393, with a focus on the environment. With this, the following crimes are added to the law: Water pollution (Article 136 of the Fisheries Law); prohibition to fish banned products (Article 139 of the Fisheries Law); Illegal fishing of seabed resources (Article 139 Bis of the Fishing Law); Processing and storage of scarce products (Article 139 Ter of the Fisheries Law).

Year 2020, fourth amendment to Law 20,393

On the occasion of the global pandemic generated by COVID 19, Law No. 21,240 was enacted, which amended the Criminal Code and Law No. 20,393, in order to sanction non-compliance with isolation or other preventive measures ordered by the health authority, in the event of an epidemic or pandemic. This law sanctions the companies that order their workers, who are subject to quarantine or mandatory sanitary isolation measures, to attend the workplace (article 318 Ter, of the Criminal Code).

1.4. Summary of Law 20,393

To whom does it apply? Article 2	<ul style="list-style-type: none"> Private legal entities and state companies.
To what end? Article 3, paragraph 1	<ul style="list-style-type: none"> Crimes committed directly or indirectly to the benefit of a legal entity, if the crime is committed due to an infraction of its supervision and direction duties.
Committed by whom? Article 3, paragraph 1	<ul style="list-style-type: none"> Wherein the crime has been committed by individuals who are part of a certain group or by other individuals that are subject to the entities' supervision and direction.
Supervision and direction duties Article 3, paragraph 3	<ul style="list-style-type: none"> They will be fulfilled when “before the commission of the crime, the respective entity has adopted and implemented organization, administration and supervision models in order to prevent the commission of the crimes described in Law 20,393”.

The commission of crimes by someone related to the legal entity includes its owners, controlling entities, managers, main executives, representatives or those who carry out administration and supervision activities (or those who are under the direction or direct supervision of any of the foregoing). However, even if the individual who commits the crime is not identified, the entity may be liable if all of the following conditions are met²:

- That any crime indicated in Article 1 of the Law is committed.
- That the conditions provided for in Article 3 are met.
- That the participation of the individual(s) responsible for the commission of the crime has not been possible to establish.
- That evidence is provided to demonstrate that the crime has been committed within the scope of functions and attributions of the persons indicated in the first paragraph of the aforementioned article 3.

The Law indicates the elements that a Crime Prevention Model must contain, also indicating that these must be applied effectively. The Crime Prevention Officer will be responsible for this in conjunction with the Administration of the Legal Entity.

1.5. Crimes covered by Law 20,393 that affect Masisa and its subsidiaries.

Masisa has carried out an evaluation of the crimes to which it is effectively exposed through its parent company and subsidiaries with operations in Chile. These crimes are explained below:

- **Bribery of national public employees and officials (article 250 of the Criminal Code)**

Anyone who gives, offers or agrees to give a public employee an economic or other benefit, for the benefit of the latter or a third party, due to the employee's position under the terms of the first paragraph of article 248, or to carry out the actions or omissions indicated in articles 248, second paragraph, 248 *bis* and 249, or for having carried them out or having incurred in them.

² Official Letter No. 440/2010 of the National Prosecutor's Office

These illegal actions include crimes that affect administrative probity (such as embezzlement, treasury fraud, incompatible negotiation, influence peddling, illegal extortion or bribery), crimes that affect the public trust placed in officials (such as infidelity in the custody of documents, violation of secrets, abuses against individuals), crimes that affect the proper functioning of the administration (illegal appointments, usurpation of powers), among others.

There is no need to prove the action carried out by the public employee in order for it to be considered bribery.

- **Bribery of foreign public employees and officials (article 251 *bis* of the Criminal Code)**

Anyone who, with the purpose of obtaining or maintaining any business or advantage in the field of any international transactions or an economic activity carried out abroad for himself or for a third party, offers, promises, gives or consents to give to a foreign public official an economic benefit or of another nature for the benefit of the latter or a third party, due to the position of the official, or to omit or execute, or for having omitted or executed, an action in relation to his position or in violation of his duties.

In itself, it is similar to national bribery; however, for criminal liability to be considered, it must be committed by a Chilean or by a foreigner with residence in Chile.³

- **Money Laundering (Article 27, Law No. 19,913)**

Money laundering is understood as any action which hides or disguises the illicit origin of certain assets, knowing that they come from the commission of different crimes such as: illicit drug trafficking (Law 20,000), terrorism (Law 18,314), arms trafficking (Law 17,798), crimes of Title XI of Law No. 18,045 on the Securities Market, such as the malicious delivery of false records to the market, maliciously false statements made by the directors, administrators and managers of an issuer of publicly offered securities, use of insider information to benefit or avoid losses, maliciously obtaining tax refunds (article 97, number 4 of the Tax Code), among others.

- **Financing of Terrorism (Article 8, Law No. 18,314)**

This consists of an action carried out by any means, directly or indirectly, in order to request, collect or provide funds with the purpose of it being used in the commission of any of the terrorism crimes indicated in article 2 of Law No. 18,314.

Crimes of terrorism occur when the action is committed with the purpose of producing in the population (or in a part of it) the justified fear of being a victim of crimes of a similar kind, either due to the nature and effects of the means used, or due to the evidence that it is due to a premeditated plan to attack a specific category or group of people, either because it is committed to uprooting or inhibiting resolutions of the authority or imposing demands on it.

- **Receiving stolen goods (Article 456 *bis* A of the Criminal Code)**

Anyone who, knowing or that should have known their origin, has in his possession, under any title, stolen species, or coming from cattle rustling or misappropriation, and transports, buys, sells, transforms or markets them in any way.

³ Organic Code of Courts, Law No. 7,421, of the Ministry of Justice, Article 6, Number 2.

It also includes those who, to the detriment of another, appropriate or divert money, securities or any other personal property that they have received in custody or administration, or under any another title, for which they have an obligation to deliver or return them.

- **Corruption between individuals (Article 287 *bis* and 287 *ter* of the Criminal Code)**

This refers to an individual who wants to request or agrees to receive – or on the other hand, gives, offers or consents to give – some form of benefit, economic or otherwise, for himself or for a third party, in order to favor or for having favored the contracting of one bidder over another.

This crime could be committed by both company personnel and third parties mandated by the company to close negotiations or contracts.

- **Unfair administration (Article 470, number 11 of the Criminal Code)**

This applies to any administrator who causes damage to the assets of certain person, either by abusively exercising his powers to sell or undertake obligations on behalf of such person, or by executing or omitting any other action in a manner manifestly contrary to the interest of the owner of the affected assets.

Any conduct that may be contrary to the duties of care and loyalty, and that has a negative connotation towards the assets of the person entrusting its administration, may be considered within this crime.

- **Incompatible negotiation (Article 240 of the Criminal Code)**

The director or manager of a *sociedad anonima* who is directly or indirectly interested in any negotiation, action, contract, operation or procedure involving the company, failing to comply with the conditions established by law, as well as any person to whom the rules for the directors or managers of these type of companies apply.

This crime should not be confused with bribery, since the fact of being interested for various reasons, thus generating a conflict of interest, is sufficient. It applies to those who carry out the activities established in the previous paragraph, regardless of the name of their position.

- **Misappropriation (Article 470, number 1 of the Criminal Code)**

This applies to those who, to the detriment of another, appropriate or divert money, securities or any other personal property that they have received in custody or administration, or under another title, which creates an obligation to deliver or return them.

- **Water pollution (Article 136, Fisheries Law)⁴**

This crime is committed by anyone who, without authorization, or, through contravening or violating the applicable regulations, introduces (or orders the introduction of) chemical, biological or physical contaminating agents that cause damage to hydrobiological resources, into the sea, rivers, lakes or any other body of water. This includes both recklessness and negligence.

⁴ The crimes established in articles 139, 139 bis and 139 ter of the Fisheries Law, as explained in the Risk Assessment section, since Masisa does not carry out operations that may have the potential to be involved in such crimes.

- **Instruction to attend the workplace for a worker in quarantine or subject to mandatory sanitary isolation (Article 318 *ter* of the Criminal Code)**

Anyone who, knowingly and having the authority to arrange the work of a subordinate, orders him to attend his workplace, if different from his domicile or residence, when such worker is in quarantine or subject to mandatory sanitary isolation decreed by the sanitary Authority. It is important to bear in mind that in order for the offense to take place, the one who orders the worker to attend his workplace must be aware that he is in quarantine or subject to sanitary isolation decreed by the authority.

In addition, the crime does not require that the worker attend his workplace or comply with the instruction of the superior – the order from the superior being sufficient to that end.

1.6. Sanctions applicable to Legal Entities.

Article 8 of Law 20,393 describes the penalties applicable to Legal Entities once it has been proven that the actions have been committed directly and immediately in their interest or for their benefit, as a result of their lack of compliance with their management and supervision duties.

These penalties are as follows:

Penalties Article 8	Dissolution or cancellation of the entity’s license to operate (except for State companies or those who provide public utility services, whose interruption may generate serious consequences).
	Partial or total prohibition of signing contracts with the State (2 to 5 years or <u>perpetual</u>)
	Partial or total loss of tax benefits (20% to 100%)
	Fines (400 UTM to 300,000 UTM), USD 17 MM, approx.
	Other ancillary penalties

2. MASISA AND ITS AFFILIATES’ CRIME PREVENTION MODEL

Article 3 of Law 20,393 indicates that the direction and supervision duties will be deemed fulfilled when, prior to the commission of the crime, the legal entity has adopted and implemented models of organization, administration and supervision to prevent the commission of crimes.

Based on the foregoing, Masisa has created and implemented a Crime Prevention Model for the company’s processes and/or activities that are exposed to the risks of crimes indicated in Law 20,393. This Model is continuously monitored using various mechanisms.

GOVERNANCE ENVIRONMENT	
Business Principles	Hotline
Corporate Governance Code	Governance Policy (PDA)

RISK MANAGEMENT			OUTPUT	Reporting:
Prevention Activities	Detection Activities	Response Activities		Reports to Local and Corporate Management
<ul style="list-style-type: none"> • Diffusion and training • Risk identification and analysis 	<ul style="list-style-type: none"> • Audit / testing • Litigation 	<ul style="list-style-type: none"> • Coordination of disciplinary measures • Communication of 		Reports to Risk and Audit Committee /

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<ul style="list-style-type: none"> Implementation of prevention controls (3) 		<ul style="list-style-type: none"> review Complaints review (3) 	cases (3) (4)		Board (2)
Legal	Administration and Finance	Human Resources	RSE / Operations	Business	Reference to article 4 of Law 20,393
MONITORING					(1)
Risk and Audit Committee (1)		Directors Committee			(2)
					(3)
					(4)

Our Model is based on a governance framework made up of policies and procedures that regulate the processes that could have some relationship with the crimes described therein and in compliance with all the requirements established by article 4 of such law, as explained below.

2.1 Appointment of a crime prevention officer (Article 4, number 1 of Law 20,393)

The Board of Directors, which is highest administrative authority of Masisa, has appointed the Internal Audit Manager as the Crime Prevention Officer for a period of 3 years, which has been renewed for similar periods up to this date. This is stated in the 2010 Board meeting minutes.

The Crime Prevention Officer, being the Audit Manager, has absolute autonomy from the Administration, and has direct communication with the Board of Directors and the Risk and Audit Committee, which is made up of Directors of Masisa.

2.2 Definition of means and faculties of the Crime Prevention Officer (Article 4, number 2 of Law 20,393)

a) The resources and means necessary to carry out his work in a correct manner, based on the size and economic capacity of the legal entity.

b) The Crime Prevention Officer has the necessary means to perform his duties and maintain compliance with the Model. Any additional resource has to be requested to the Board of Directors through the Risk and Audit Committee. The control of these expenses is grouped in a cost center arranged for said purpose.

The powers of the Crime Prevention Officer and the areas that support him in the adoption, implementation, administration and supervision of Masisa’s Crime Prevention Model are as follows:

Board (Risk and Audit Committee)	<ul style="list-style-type: none"> Transfer the tasks to prevent the commission of the crimes indicated in Law 20393 to the internal audit. Periodic review of finding and weaknesses reports.
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	<ul style="list-style-type: none"> • Definition of sanctions and disciplinary measures, including the applicable procedures if the risks defined in the law take place.
Crime Prevention Officer	<ul style="list-style-type: none"> • Preparation and development of diffusion and training activities, as indicated in Law 20393. • Support in the identification and analysis of the risks involved in the critical processes in relation to said crimes. • Support in the creation of mitigation controls for key processes of the business. • Preparation of risk assessment and audits on the processes in the defined countries. • Periodic review of the complaints related to the crimes indicated by the law. • Immediate report of weaknesses in relation to control mechanisms and findings related to the crimes described by the law.
General Manager	<ul style="list-style-type: none"> • Active involvement in the diffusion and training activities described by the law. • Support and training for heads of departments and personnel. • Periodic review and report of the risks that took place in relation to the crimes indicated by the law.
Legal Director	<ul style="list-style-type: none"> • Biannual report on existing litigation in relation to the crimes described in Law 20393. • Provision of legal support regarding the procedures to be followed if any risk of the commission of such crimes takes place.
Managers and Heads of Departments	<ul style="list-style-type: none"> • Support and training given to the respective heads and personnel, to ensure an adequate knowledge about the application of the law in all their operations. • Support in the identification and analysis of risks associated with this law, which may have an impact on their processes. • Support in the creation of mitigation controls for the riskiest processes. • Continuous monitoring of the risks detected and the processes related to them.

c) Direct access to the Administration of the Legal Entity to inform them in a timely manner, and by a suitable means, of the measures and plans implemented in the fulfillment of his commission. Likewise, to provide them with a report on his work at least every six months.

The Crime Prevention Officer has full and direct access to the Board of Directors, the Risk and Audit Committee, and Masisa’s General Manager, to carry out his commission and ensure the proper implementation of the Model and the performance of the investigations of complaints. Additionally, the Crime Prevention Officer has to provide quarterly reports on the application of the Model and the status of the investigations to the Board of Directors, through the Risk and Audit Committee. Likewise, on a semi-annual basis and as required by law, he will provide a summary on the application of the Crime Prevention Model and any improvements or updating activities in relation thereto, if necessary, to the Board of Directors.

2.3 Items to be included in the Crime Prevention Model (Article 4, number 3 of Law 20,393)

a) The identification of the activities or processes of the entity, whether habitual or sporadic, in the context of which the risk of committing crimes is generated or increased.

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To this end, Masisa maintains a risk matrix with its processes and those responsible for them, together with the controls that mitigate the possibility of the commission of crimes.

The exposure of Masisa and its subsidiaries to said risks is summarized in the following table:

Crimes / Company	Inversiones Internacionales Terranova SpA	Masisa Capital Venture SpA	Masisa Componentes SpA	Masisa Forestal Sp	Masisa Partes y Piezas S.A.	MASISA S.A.	Scaleup SpA	Fundación San Isidro
Unfair Administration	✓	✓	✓	✓	✓	✓	✓	
Misappropriation			✓	✓	✓	✓		
Water pollution			✓		✓	✓		
Corruption between individuals			✓	✓	✓	✓		✓
Financing of Terrorism			✓	✓	✓	✓		✓
Money Laundering	✓	✓	✓	✓	✓	✓	✓	✓
Incompatible negotiation		✓	✓	✓	✓	✓	✓	
Ordering a worker to attend his workplace when he is in quarantine or subject to mandatory sanitary isolation			✓		✓	✓		
Receiving stolen goods			✓	✓	✓	✓		
Bribery of a Foreign Public Official	✓					✓		
Bribery of a National Public Official	✓	✓	✓	✓	✓	✓	✓	✓

Having carried out a general analysis of the processes developed by the different subsidiaries, the following processes or activities that are susceptible to the risk of committing the aforementioned crimes are detected:

Department	Process	Segment
Business	Sales	Negotiation and closing of business
		Administration and Processing of National and Foreign Orders
		Dispatch Regularization
Supply Chain	Procurement and Supply	National and international purchases
		Supplier Master File Maintenance

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	Raw Material Supply	National and international purchases
Administration and Finance	Finance and Treasury	Investments
		Financial Transactions with Related Companies
		Preparation and review of the findings in the Financial Statements
	Financial information	Capture and processing of information
	Planning and Control Management	Capture and processing of information
	Inventory Management	Inventory Management
	Treasury	Expense reports
New business	New Businesses Investments	Negotiation and closing of business
		Accelerator's Planning and Management Control
Operations	Manufacturing Production	Production
		Health, Environment and Safety
Human Resources	Human Resources	Hiring
		Payroll
Legal	Legal compliance	Legal compliance
		Delegation of Authorities
		Operational continuity
	Social Responsibility	Donations
Senior Management	Strategic decisions	Financing
		Investments
		Financial Transactions with Related Companies

The matrix of risks and processes in relation to crimes described by the Law is reviewed and updated annually. This update is carried out by the Crime Prevention Officer together with Masisa's General Manager.

To carry out the risk diagnosis, Masisa analyzes the company's risk appetite, which is validated by the Risk and Audit Committee (See Annex 1). Its results are then discussed and analyzed by each department manager, in order to include recommendations and build a comprehensive crime prevention model.

The aforementioned method is supported by market standards for the survey and assessment of risks according to the following concepts:

Risk probability and impact weighting matrix. High, medium and low levels (See Annex 2).

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Analysis of mitigating controls effectiveness in order to determine the real exposure to risk.

Short-term mitigation plans, only if no adequate controls exist (or are maintained) in order to prevent the risk of crimes.

Annex 3 contains a summary of the risks within the organization with respect to Law 20,393. The details thereof and the mitigation plan in relation thereto are available on the company’s intranet and are in the possession of the owners of the respective processes.

b) Creation of protocols, rules and specific procedures that allow the people involved in the activities or processes indicated in the previous paragraph, to program and carry out their tasks in a way that prevents the commission of the aforementioned crimes.

Masisa has a Corporate Governance Model that maintains a Governance Strategy, which is a fundamental part of the Crime Prevention Model and with which it fulfills its Direction and Supervision Duties⁵. This Governance Strategy is fundamental to the day-to-day activities of Masisa’s collaborators, which regulates their behavior, decision-making and prevention of the crimes described in Law 20,393 and other regulations of the country.



Who do we govern for?

For our shareholders and stakeholders, who benefit from our practices of transparency, ethics and honesty in the way we carry out and conduct our business.

Who are the people in charge?

The Board of Directors and its Committees, in addition to Administration composed of certain Management departments, as well as each of the MASISA collaborators.

The Governance Strategy

Our Governance Strategy has four fundamental pillars, which jointly define and regulate the actions of the Company, whose objective is the creation and preservation of value.

The main operating Policies and Procedures, which establish several prevention and mitigation activities in relation to the risks identified by Masisa in its risk assessment, are described below.

Responsible	Document	Unfair Administration	Misappropriation	Water pollution	Corruption between	Financing of	Laundering and Money	Incompatible Negotiation	Mandatory Sanitary	Receiving Stolen	Bribery
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⁵ Law 20,393 states that “The direction and supervision duties shall be deemed fulfilled when, prior to the commission of the crime; the legal entity has adopted and implemented organization, administration and supervision models to prevent crimes...” In other words, the power of the employer to organize, direct and manage the company to prevent the commission of the crimes described in the law.

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				n	individuals	Terrorism	Laundering		Isolation	Goods	
Corporate Governance	Corporate Governance Code	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Supply Chain	Purchase of Goods and Services Procedure	✓	✓		✓	✓				✓	✓
	Third Party Products Policy		✓							✓	
	Procurement Policy	✓	✓		✓	✓				✓	
	Supplier Engagement, Evaluation and Management Procedure				✓						✓
	Goods and Services Tenders' Procedure	✓	✓		✓	✓				✓	✓
Human Resources	Training, Learning and Development Policy and Procedure	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Compensation and Incentives Policy	✓						✓			
	Contractor Management Policy				✓	✓		✓			✓
	Recruitment, Selection and Hiring Policy and Procedure							✓			✓
	International Assignments Procedure					✓	✓				✓
	Annual Performance Bonuses Procedure	✓						✓			
	Performance Management Procedure	✓						✓			
Matrix and Calculation of Salary Increases Procedure	✓						✓				
Business	Sales and Exports to Third Parties Policy	✓			✓	✓	✓	✓			✓
	Expansion of the Network and Closure of Third Party Placacentros Policy	✓			✓	✓	✓	✓			✓
	Accounts	✓					✓				

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	receivable, Collection and Custody of Values in Own Placacentros Policy										
	Human Resource Processes and Own Placacentros Policy							✓			✓
Finance	Tax Compliance and Contingencies Policy and Procedure	✓					✓				
	Fixed Asset Management Procedure	✓				✓	✓			✓	
	Accounting Closing Procedure						✓				
	Accounts receivable and collection Policy	✓					✓				
	Financing Policy	✓					✓				
	Expenses and Travel Policy						✓				
	Treasury Policy	✓					✓				
	Travel Request and Approval Procedure						✓				
Forest	Forest Trade Policy	✓	✓		✓	✓		✓		✓	✓
	Forest Investment Policy	✓			✓		✓	✓			
	Forest Pricing Policy	✓								✓	
Legal	Competition Policy	✓			✓						
	Business Reorganization and Investments Policy	✓					✓				
	Sustainable Development Policy				✓				✓		
	Donations Policy				✓						✓
	Relations with Public Officials Policy										✓
Operations	Environment Policy				✓						
	Occupational Health and Safety Policy								✓		
	Waste Management Procedure				✓						

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IT	Account Management and Access to Systems Procedure	✓					✓				
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Additionally, Masisa has prepared other documents and/or elements that strengthen its Model, such as:

Governance Strategy: Masisa has in place a Governance Strategy, which generates the foundations that define and regulate the actions of the Company, whose purpose is the creation of value.

Corporate Governance Code: This forms the basis of the company’s Governance Strategy, since it allows the company to disseminate its value creation practices in its operations internally, to the market and other stakeholders. Regarding Law 20,393, the Corporate Governance Code establishes the guidelines regarding Conflicts of Interest, transparency, insider information and internal control.

Authority Delegation Policy: This establishes the levels of authority available to the company’s managers, according to the instructions given by the Board of Directors. This defines the scope of the different positions and the responsibilities associated with them.

Order, Hygiene and Safety Regulations: In compliance with labor regulations and legal requirements, chapters and/or articles that further regulate the Model have been incorporated.

Contractual Clause for Employees and Suppliers: In coordination with the Legal area, clauses that regulate the relationship and validate knowledge of our Model with both employees and suppliers have been drafted.

Website of the Crime Prevention Model: Masisa maintains a website containing all the information related to the Model, risk matrix and related links on its intranet, so that its collaborators can access them in an easy and understandable way. Similarly, it serves as a record of the design, implementation, review and audit of the prevention model carried out by the Prevention Officer and the company.

Compliance Software: Masisa has installed compliance software, which is used by various departments of the organization as part of the Due Diligence process carried out on various stakeholders (such as potential customers and suppliers, potential partners, among others). With this, the company can detect possible links with some of the crimes contained in the law or other illegal behavior, which is not consistent with the principles of Masisa.

Hotline: This allows interested parties, who have reasons to believe that possible violations of Masisa’s Business Principles have occurred or that the crimes established by law or any other offense or complaint related thereto has been committed, to report such situation to the company.

Complaint and Investigation Procedure: Masisa maintains a complaint and investigation procedure, which ensures that each complaint received is treated with the seriousness it deserves.

Masisa’s Action Framework: This Framework aims to express the company’s philosophy and business behavior, the rights that we promote and the ethical behavior required of everyone who is part of the company. It sets out our principles and values.

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Business Principles: Principles that guide the actions of all employees and directors of Masisa S.A. and that serve as a reference framework for decision-making in the different areas of the business and that we hope to transmit to our stakeholders (customers, collaborators, communities, among others). These principles are completely aligned with the compliance with the law in general and specifically with regard to compliance with Law 20,393.

Training Plan: Given the importance of the subject, the company maintains a training plan and Policy in this regard, where it has defined to carry out face-to-face training regarding the Model and Law 20,393, in addition to maintaining e-learning courses in the Company's training platform. This ensures the updated and continuous knowledge of the staff. The training of those in positions with the greatest exposure to the risk of committing the crimes of Law 20,393 is prioritized. Similarly, for our main suppliers (contractors) training is carried out and/or they are given all the necessary documentation to become familiar with the Model and its compliance.

Annual declaration of business principles and conflicts of interest: The Company annually applies a survey of Business Principles and declaration of conflicts of interest to its employees. The purpose of this survey is to validate knowledge of the Principles at all levels. Each collaborator who receives the survey confirms his commitment to adhere to these Principles. The goal of this tool is the timely identification of potential conflicts of interest and allow employees to declare any situation in order to make relations with suppliers, customers and others transparent, in accordance with the provisions of the law.

Ethics Committee: Masisa's senior management maintains an Ethics Committee, which meets regularly and formally, and is responsible for maintaining the ethical and probity guidelines of the organization, supporting investigations for a rapid resolution and solution proposal to the Risk and Audit Committee. This Ethics Committee is made up of the General Manager, Legal Director, Human Resources Manager and Crime Prevention Officer (Audit Manager).

c) The identification of the management and auditing procedures of the financial resources that allow the entity to prevent their use in the indicated crimes.

As indicated in the previous point, Masisa has an internal control defined in its Policies and Procedures that mitigate the commission of crimes due to the misuse of the company's financial resources. This is complemented by the structure of powers created within the company and the Authority Delegation Policy (PDA) in which the Board of Directors has defined the powers that the administration holds for the management of these resources.

Additionally, the internal control process maintains preventive mechanisms implemented in the company's ERP system, which allow to follow-up the daily activities of acquisition, sale, payments, etc.

Similarly, the Internal Audit Process contain an annual testing process of the controls and tests defined in the risk matrix in order to prove their effectiveness. The results are reported to the Risk and Audit Committee.

On the other hand, the External Audit Process⁶ issues an opinion regarding the financial statements of Masisa.

⁶ Law 18,046, Article 52: The ordinary shareholders meeting of *sociedades anonimas* must annually appoint an external auditing company governed by Title XXVIII of Law No. 18,045 in order to examine the accounting, inventory, balance sheet and other financial statements of the company, which shall report in writing to the next ordinary shareholders'

d) The existence of internal administrative sanctions, as well as procedures for reporting or pursuing civil liability against persons who fail to comply with the crime prevention model.

In accordance with current labor regulations, Masisa's Internal Order, Hygiene and Safety Regulations has established sanctions that apply to its collaborators, which depend on the frequency and severity of the misconduct, as indicated below:

1. Verbal warning.
2. Written reprimand, a copy of which is added to the worker's personal file.
3. Written reprimand, a copy of which is added to the worker's personal file and a copy to the Labor Directorate.
4. Fine equivalent to a maximum of 25% of the worker's daily salary.

As part of the hiring process, a copy of the Internal Regulation of Order, Hygiene and Safety is delivered to the respective person, who must express its acceptance of it and acknowledge the content of said document by signing such copy.

Additionally, Masisa's Business Management Responsibility Policy mentions the measures that may be taken for the infraction of business management responsibilities, including the crimes described in Law 20,393, by indicating that:

“In the event of non-compliance, each country will apply the sanctions defined by the local laws. In addition, Masisa's Ethics Committee or the Risk and Audit Committee may take, if deemed appropriate, the following disciplinary actions:

- Termination of Employment: Human Resources communicates the termination of the employment relationship.
- Legal Measures: Through the Legal Department, the company files a complaint and/or lawsuit with the competent authorities. Likewise, the company may become part of an existing claim.

Masisa may report any action that constitutes a crime to the competent authority and sue in situations that the law is infringed, with prior authorization from the Legal Department.

The contractors and/or service providers have the same obligations set forth in this policy and in the event of faults; their contractual relationship with the company may be terminated. This must be previously informed of and authorized by the Supply Chain Manager and the Legal Director.”

As mentioned in the “Business Management Responsibility Policy”, the Ethics Committee or the Risk and Audit Committee may take disciplinary measures based on the information collected by the Crime Prevention Officer during the respective investigation, which must be made in accordance with the “Complaint Investigation and Complaint Procedures”. This includes those received through the company's hotline.

In general, the complaints procedure is made up as follows:

meeting on their work in that regard.

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Masisa Business Principles Hotline:

MASISA has created communication channels for direct or anonymous complaints related to the crimes of Law 20,393 and to the observance of its Business Principles, Rules of Ethical Conduct, Conflicts of Interest and any issue related to a possible regulatory breach of its internal controls, financial statements and to situations or events that may require the attention of the Administration and/or the Board of Directors.

Communication Channels	Characteristics	Investigation
<ul style="list-style-type: none"> • Mail: principios@masisa.com • Masisa website 	<ul style="list-style-type: none"> • Confidential • Evidence may be provided • No Retaliation • Due process 	<ul style="list-style-type: none"> • By the suitable department • Objective • Professional • Due process • Report to committees

Means of communication: Complaints are sent through the email principios@masisa.com as well as from the company’s website (www.masisa.com). Both channels of communication are managed by the Crime Prevention Officer and a copy thereof copy is automatically sent to Masisa’s Legal Director.

Characteristics: MASISA promotes the responsible use of this communication channel, safeguarding the integrity of the complainant and the image of the Company. The integrity of the whistleblower is promoted through ability to make anonymous reports. However, in the case that their identity is revealed, the Crime Prevention Officer guarantees confidentiality regarding the information and that the whistleblower will not be subject to retaliation. ‘Responsible use’ includes the possibility of providing evidence that demonstrates the seriousness of the complaint and the subsequent investigative process; however, all Masisa’s staff will have the right to a due process.

Investigation: A timely and independent analysis is ensured for all complaints received, through a structured process monitored by the Risk and Audit Committee of MASISA’s Board of Directors and independent from the Company’s administration.

In short, once the Crime Prevention Officer becomes aware of an action or conduct that could eventually, by itself or in conjunction with others, constitute a crime that makes or may make the Company to be criminally liable for it, will initiate an investigation in order to determine the reasons why said action or conduct was carried out. To this end, an “Investigation Procedure” is maintained, which establishes what the activities may be carried out by the Prevention Officer in order to investigate and reach a conclusion regarding a complaint and/or information provided. The Crime Prevention Officer will inform the Ethics Committee and the Board of Directors (through the Risk and Audit Committee).

**Improvements
to MPD**

**Receipt of
Complaint**



As part of the hiring process, a copy of the Internal Regulation of Order, Hygiene and Safety is delivered to the respective person, who must confirm that he accept it and acknowledge the content of said document by signing such copy.

As required by law, this Model, its obligations, prohibitions and internal sanctions and investigation process are incorporated in the Internal Regulation on Order, Hygiene and Safety and communicated to all workers and is an essential integral part of the employments contracts, including top executives, and third-party service provision contracts.

2.4 Supervision and certification of the crime prevention system (Article 4, number 4 of Law 20,393).

The Crime Prevention Officer will periodically carry out specific audits of the activities carried out within the Company in order to verify, within the framework of the Crime Prevention Model, that they comply with the procedures in force at each opportunity.

When these audits are carried out, the employees must cooperate fully and provide all information that may be requested and data (not including personal data or data unrelated to their employment relationship) that they hold or should hold in their position due to their position in the company. For the above, they must answer the queries that are made and deliver or allow access to the information or documentation that they hold in relation to the audited matter.

This supervision includes the process of updating and/or improving the Model, where action plans will be generated that include modification of Policies, Procedures, risk matrix, etc.

Additionally, Masisa understands that the existence of a certification does not exempt responsibility for the mere fact of having it. As such, it may obtain certification if the company’s Board of Directors deems it necessary, mainly as support for the process of continuous improvement and verification of the adequate adoption and implementation of the Model.

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2. PROTOCOL IN THE EVENT OF A CRIME UNDER LAW 20,393.

Masisa’s “Crime Prevention Policy” and “Complaints and Investigation Procedures” contain a protocol for continuous improvement of the Model when crimes are committed within the company, whether or not the company or the respective individual’s liabilities have been established. This is aimed at demonstrating the company’s good faith and serve as mitigating circumstances. In general, the protocol includes:

- Compensation for the harm caused (Article 11, number 7 of the Criminal Code): Masisa may, with prior authorization from the company’s Board of Directors, compensate via financial means (or in another way that the law allows) those negatively affected by the commission of one of the crimes of Law 20,393. This may include compensation or further consequences.
- Substantial collaboration with the investigation (Article 11, number 9 of the Criminal Code): Upon the commission of any of the crimes of Law 20,393, Masisa will inform the authorities and provide all the information necessary to establish the facts. This applies regardless of whether or not it would involve liability for the company.
- Implementation of preventive measures: Masisa maintains a process of updating, when required, the results of an investigation on the crimes established by the Law. This may include the hiring of specialists in Crime Prevention Models to resolve complexities in the processes or specific preventive controls.

All the information related to a case will be kept by the Crime Prevention Officer and the Legal Director for the corresponding time, but which may not be shorter than 10 years. The failure to keep these records, or their total or partial disappearance or destruction, is considered a serious breach of their duties and the Business Management Responsibility Policy.

3. RESPONSIBLE FOR ITS APPLICATION AND FOLLOW-UP

Position (1)	Application	Follow-up
Masisa’s Prevention Officer		X
Internal Audit Department		X
Masisa Chile General Manager	X	
All collaborators	X	

4. VALIDATION

Function	Name	Position	Date
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Produced by	Eduardo Muñoz	Internal Audit Manager / Crime Prevention Officer	January – 2020
Reviewed by	Patricio Reyes	Legal Director	January – 2020
	Alejandro Carrillo	General Manager	January – 2020
Approved by	Rosangela Mac Cord	Chairwoman of the Risk and Audit Committee	January – 2020
Effective date:		Version:	

5. CHANGE CONTROL

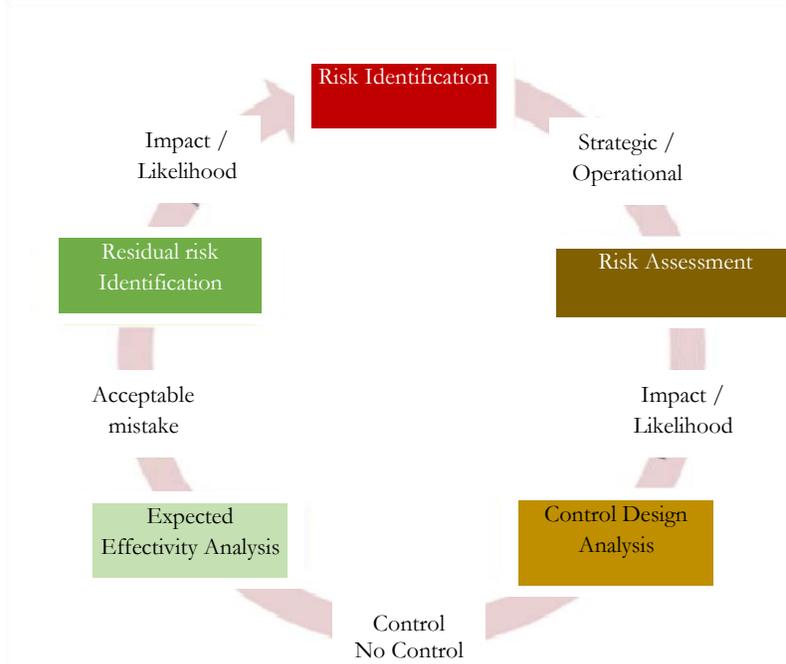
Reason	Responsible	Date
Update of the Crimes Prevention Model	Crime Prevention Officer	2020

6. POLICIES AND ASSOCIATED PROCEDURES

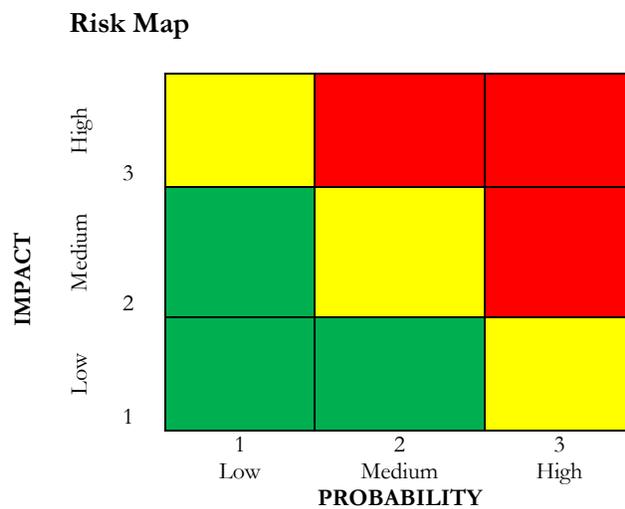
This policy is associated with the following documents and items indicated in 2.3.b.

7. ANNEXES

Annex 1: Risk Identification and Assessment Method:



Annex 2: Risk Map



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