



Corporate Governance Code





Corporate Governance Model



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.



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I. INTRODUCTION

1. Purpose

The purpose of this Corporate Governance Code (“Code”) is to formalize the governance, information and business practices of MASISA S.A. and its affiliates (“MASISA” or the “Company”), which are based on strict standards of control, ethics and business transparency for the creation and conservation of value for the Company and for all its shareholders, customers, collaborators, community and other stakeholders. All of the above is aligned with our Business Principles and the Triple Bottom Line approach.

2. Scope

All the actions of the Directors, Managers, Collaborators, Customers, Suppliers and Contractors must be framed within the provisions of this Code.

The Company is responsible for complying with and ensuring compliance with this Code and the Policies, Procedures and Regulations derived from it.

3. Interpretation and Update

The rules contained in this Code may in some cases imply greater or additional requirements to the Law itself. In matters where there is no special regulation herein, the current legal provisions and the standards contained in the Manual for Handling Sensitive Information will apply.

If eventually there is a contradiction between the provisions of this Code and the applicable legislation, the latter will prevail.

Queries or doubts regarding the interpretation of this Code should be directed to the Legal Department, who will be responsible for determining the meaning and scope of the provisions contained therein.

Likewise, the Legal Department will be responsible for evaluating any regulatory change that implies updates to this Code and will propose to the Board of Directors the modifications thereon. Even though there may be no modifications, this Code will have to be ratified every 3 years.

II. STRUCTURE

1. Shareholders and Stakeholders

1.1 Shareholders’ Rights

The exercise of the shareholders’ rights will include:

- Participation in the Shareholders’ Meetings and exercising their right to vote.
- The right to receive profits based on their shareholding, under equal conditions for all shareholders.
- Availability of timely information on all matters that will be dealt with at the shareholders’ meetings. In addition, the shareholders have the right to receive in a truthful, timely, and non-discriminatory manner



the relevant information regarding the Company, which it is obliged to disclose and deliver in accordance with the law. For these purposes, Masisa promotes the use of information by technological means that guarantee simultaneity and timeliness of the information, especially through its website www.masisa.com

- Right to propose candidates for Directors, especially, Independent Directors, in the cases indicated by the Law.
- Right to review the minutes, books and financial statements of the Company, at the appropriate moments.
- Right to ask any questions that it deems pertinent, regarding the matters for which the respective meeting had been summoned.

1.2 Shareholders Registry

The Company will have an effective shareholder registration system that describes the shareholders, the transfers of shares and the liens thereon.

This Registry will be kept by external specialized companies that comply with the legal and MASISA parameters or definitions.

1.3 Shareholders' Meetings

The Shareholders' Meetings are the highest decision-making body of MASISA, a place where the shareholders meet periodically, in order to become aware of the Company's management and adopt the agreements that, according to the law and its by-laws, are within their competence.

Its main functions will be:

- To vote and elect the Directors of the Company.
- Approve the remuneration of the members of the Board of Directors and its Committees.
- Approve the annual report, balance sheet and financial statements of the Company.
- Know the status of the Company's business, through a presentation specially prepared by the Administration for this purpose.
- Define dividend policies and amount of profits to be distributed.
- Choose the External Audit Company and the risk rating companies.
- Modify the by-laws of the Company.

The ordinary Shareholders' Meetings will be held during the first four months of each year and the special Shareholders' Meetings will be held whenever summoned by the Board of Directors or at the request of the owners of a certain number of shares, as required by law, or at the request of the controlling shareholder or the Commission for the Financial Market.

The shareholders will exercise their right to vote personally or through proxies specially designated for this purpose, in accordance with the law.

The voting will be made through a ballot system, unless there is unanimous agreement to proceed by acclamation. Likewise, the votes may be made through other authorized systems that the Board of Directors proposes to the Commission for the Financial Market, which have to be accepted by it pursuant to the legislation then in force. In this sense, NCG 435 of the Commission for the Financial



Market authorizes the use of technological means at Shareholders and Bondholders Meetings, which allow the participation of shareholders and bondholders even though they are not present at the meeting and to vote remotely, to the extent that such systems are reliable, ensure that all the attendees vote at the same time and protect the secrecy of such votes.

All the shareholders who participate in the Meetings may formulate the questions they deem appropriate related to the purpose of the summon, according to the meeting agenda.

The Company will publish an abstract, on the website, with the main resolutions adopted at the Ordinary Shareholders' Meeting during the same or within the same day of the meeting. However, regarding material information, it will be published only once it has been sent through the SEIL system to the Commission for the Financial Market.

1.4 Communications with Shareholders and Other Stakeholders

The Company will have various information channels available to its shareholders and stakeholders such as collaborators, non-governmental organizations, authorities and the community in general, mainly through its website and its financial and non-financial reports.

The Company will have an internal area whose main responsibility will be to maintain expeditious and timely communication channels for shareholders, investors, the financial market in general, and regulatory authorities.

2. Senior Management

2.1 Board

a. Mission

The Board of Directors is the main management body of MASISA, whose mission is to protect and enhance the Company's assets, maximizing the return on investments, aligned with MASISA's vision and values, its Business Principles and its strategic goals. For these purposes, the Board of Directors will be made up of Directors with multidisciplinary skills and experience, both at the business level and in the countries where the Company has its main operations.

b. Main Functions

The main functions of the Board of Directors are indicated below, some of which may be delegated to the Administration through the Authority Delegation Policy ("PDA")

- Establish the Vision, Mission and Values of the Company.
- Approve the Declaration of Business Principles and this Corporate Governance Code and the Manual for Handling Sensitive Information.
- Approve the Authority Delegation Policy.
- Establish the Board Committees, their rules and members, with the exception of the Risk and Audit Committee.
- Approve the annual Strategic Plan of the Company, which is issued in accordance with the Triple Bottom Line approach, and periodically review its compliance.



- Approve the annual operational and investment budget.
- Approve the Consolidated Financial Statements of the Company.
- Be aware of the Annual Internal Control Letter of the External Auditors, ensuring that the Administration follows up on it and implements the action plans that emanate from said Report, which will be included in the SAR system.
- Periodically review the management of Environmental, Security and Corporate Governance (“ASG”) aspects.
- Monitor significant risks that affect business performance and compromise the approved strategy.
- Approve acquisitions, investments and divestment of businesses, alliances, mergers and business divisions.
- Approve the incorporation, modification or dissolution of affiliates.
- Approve changes in the Senior Management Structure, which includes the General Manager and the main and key executives.
- Approve the policies and structure of compensation (salaries and benefits), performance, succession and others directly related to the main executives.
- Evaluate the performance of the General Manager and his main executives and supervise the relationship of the General Manager with the stakeholders.
- Propose for the approval of the Shareholders’ Meeting, the external auditing companies from which the one that will be responsible for auditing the financial statements of the Company and the risk rating companies will be selected.
- Create and disseminate a general policy for the appointment of directors for the affiliates, which complies with the requirements provided by the CMF.

Annually, a calendar of meetings will be drawn up that will account for the treatment of said issues.

c. Composition

The Board of Directors will be made up of Directors elected by the shareholders, who must remain in their positions for the period specified in the by-laws. At least one of the Directors will be an Independent Director, as established by Law.

In addition to the requirements established by law, the persons proposed for the position of Director must have the following attributes, regardless of the requirements established by Law:

- Significant professional experience and achievements that contribute to the Company’s business.
- Independence of judgment in decision-making.
- Availability of time for the proper exercise of their duties as director.
- That he/she has not violated any of the obligations or prohibitions set by this Code.

d. Independence of Directors from the Administration

The Directors of the Company shall not:

- Be employees of the Company or its affiliates.
- Sign contracts with the Company, especially contracts for the purchase and/or sale of goods and/or services, without such contracts being previously reviewed and approved by the Directors’ Committee and by the Company’s Board of Directors. The Committee and the Board of Directors must ensure that such contracts are adjusted in price, terms and conditions in accordance to those that prevail in the



market at the time of their approval. In any case, said operations must comply with current legal provisions that refer to transactions with related parties.

- Receive payments from the Company, for any concept, other than their fixed and variable per diems as director and/or operations previously approved by the Directors Committee and Board of Directors as established in the previous bullet.
- Pursue personal interests with their decisions, or use for their personal benefit the business opportunities they have learned of by reason of their position as Director of the Company.

e. Independent Directors

The Directors who are involved in any of the following situations will not be considered independent Directors, for the purposes indicated by the Law:

- They maintain any relationship, interest or economic, professional, credit or commercial dependence, of a relevant nature and volume, with the Company, the other companies of the group of which it is a part, its controlling entity, or with the main executives of any of them, or they have been Directors, managers, administrators, senior executives or advisers of these.
- They maintain a kinship relationship up to the second degree of consanguinity or affinity, with the persons indicated in the previous point.
- If they would have been Directors, managers, administrators or senior executives of non-profit organizations that have received contributions, payments or relevant donations from the persons indicated in the first bullet of this letter.
- If they would have been partners or shareholders who have owned or controlled, directly or indirectly, 10% or more of the capital; Directors; managers; administrators or main executives of entities that have provided legal or consulting services, for relevant amounts, or external auditing, to the persons indicated in the first bullet of this letter.
- If they would have been partners or shareholders who have owned or controlled, directly or indirectly, 10% or more of the capital; Directors; managers; administrators or main executives of the main competitors, suppliers or customers of the company.

For these purposes, when it is time to elect a Directors' Committee, MASISA's Administration will provide candidates for independent Directors with any information it has regarding the circumstances set forth in the preceding paragraphs, without prejudice to the direct responsibility of the independent director candidate for carrying out the analysis of said circumstances.

f. Selection

The Directors will be elected at the Ordinary Shareholders' Meeting, for terms of three years, where there will be a total of seven Directors, at least one of whom must be an Independent Director, as established by the Law.

In the event of vacancy or resignation, the Board of Directors may appoint a replacement, in which case the entire Board of Directors must be renewed.



For the purposes of the election of the Board of Directors, a profile of the different candidates for the Director positions will be published on the Company's website, including those who apply as independent directors, within an advance period of time as indicated by the law. This profile will indicate who is putting forward the candidate, and a summary with their professional experience. In the case of candidates for Independent Director, the sworn statement required by law will also be included.

The Directors that obtain the first seven majorities will be elected, unless there is no independent Director among them, in which case he will be elected by operation of law, and the remaining positions will be completed in voting order.

The Board of Directors in its first meeting, once elected, will proceed to elect its Chairman and Vice Chairman from among its members, as well as the members of the Risk and Audit Committee.

For his part, the Independent Director will chair the Directors' Committee and will appoint the remaining members of the aforementioned Committee, unless more than one Independent Director is elected, in which case the Board of Directors will proceed to designate the remaining Director to participate in the Committee, the same if more than three Independent Directors are elected.

g. Training Program

From the moment the Directors are elected, within the following quarter they will undergo an induction process that aims to instill the Company's strategy, vision, values, policies, processes, legal obligations and operations.

This process will involve:

- i. Interview with the Chairman of the Board and of the Committees, General Manager and main executives of MASISA. In the event that there is a total renewal of the Board of Directors, without reelection of any of the Directors who were in office, the interviews will only take place with the General Manager and the main executives. In these interviews, the following topics will be programmed:
 - The businesses, matters and risks, including those of sustainability.
 - The relevant stakeholders that they have identified and the main mechanisms used to meet expectations and communicate with them.
 - The mission, vision, strategic objectives, principles and values of Masisa and the policies of inclusion, diversity, sustainability and risk management, approved by the Company.
- ii. Work meeting with the Legal Manager, in order to review:
 - The functioning of the Board of Directors and Committees;
 - The current legal framework, especially the legal obligations that apply to them while they are Directors or members of some of the Board Committees. Including examples of the most relevant rulings, sanctions or pronouncements that have occurred in the last year at the local level regarding those duties.
 - The main agreements adopted in the last 2 years prior to the date when they take office and the reasons that were taken into consideration for adopting such agreements or for ruling out other evaluated options.



- Delivery of a set of information with the following documents: Corporate Governance Code, Manual for Handling Sensitive Information, PDA (Authority Delegation Policy), Annual Report of the last financial year and main Company Policies.
- iii. Work meeting with the Finance and Administration Manager to review the most relevant items of the quarterly and annual financial statements of the last year, together with their respective explanatory notes, in addition to the accounting criteria applied in the preparation of said financial statements.

h. Preparation and/or Update Plan

Annually, the Board of Directors will establish an annual training and/or update plan on strategic or contingent topics for its members and Senior Executives that it determines for each case, and that will consider matters such as:

- Best corporate governance practices that have been adopted by other companies both locally and internationally.
- The main progresses that have been made in the last year, at a local and international level, in terms of inclusion, diversity and sustainability reports.
- Main risk management tools, including those for sustainability, which have been implemented in the last year locally and internationally.
- Most relevant judgments, sanctions or pronouncements that have been issued in the last year at the local and international level related to the duties of care, confidentiality, loyalty, diligence and information.
- Examples of situations that constitute a conflict of interest in the board of directors and ways in which these conflicts of interest can be avoided or resolved in the best interest of the company.

These trainings may be carried out by executives of the company that have experience on such matters and/or the Board of Directors may engage consultants and/or participate in talks, foundations, NGOs to acquire the aforementioned knowledge.

The training activities will be published on the company's website and included in the Annual Report.

Additionally, the Board of Directors will meet quarterly with the Social Responsibility and Human Resource Department to review the following matters.

- Dissemination of diversity and inclusion policies.
- Social and cultural barriers.
- Sustainability reports and stakeholders.
-

i. Directors Remuneration

The remuneration of the Directors will be linked to the results obtained by MASISA annually, in order to encourage a better performance of the Directors in their positions and generate an identification of these with the Company.

The remuneration of the Directors will consist of a fixed part and a variable part (subject to a certain cap). This variable part will depend on distributable net profit of the Company during the respective year, according to the amounts or percentages approved by the Shareholders' Meeting.



There will be additional compensation for those Directors who participate in Board Committees, which will also be approved by the Company's Shareholders' Meeting. In the case of the members of the Directors' Committee, it cannot be less than what is established in the Law.

j. Performance Evaluation

Each year a self-evaluation process will be carried out regarding the performance of the Board of Directors as the governing body of the Company and its Committees.

The self-evaluation will be supported by formal processes with previously defined scopes and forms of qualification, which consider needs for improvements in its operation. The Chairman of the Board will be responsible for conducting the self-evaluation process.

The Board of Directors undertakes to be evaluated by an independent third party, at least, every three years.

k. Chairman

The Chairman is elected by the Board from one of its members for the same period for which the Board was elected.

His main functions will be:

- To chair the meetings of the Board of Directors and the Shareholders' Meetings.
- To organize and coordinate the agenda of the Board of Directors in such a way as to include all the issues that are part of the Board's functions.
- To direct the self-evaluation process of the Board.
- To direct the performance evaluation process of the General Manager.
- To ensure that the Board of Directors complies with the criteria and standards defined in this Code.

l. Board Diversity.

The Board of Directors is made up of seven members with diverse profiles and backgrounds who contribute different points of view to it. Due to the fact that in accordance with Chilean legislation, there is only one case in which the members of the Board of Directors have influence in the election of a member thereof, which is only in the case of vacancies, the Board of Directors undertakes that, in the event of a vacancy, it will consider, in addition to the capacity and suitability of the nominee, other factors that would allow greater diversity therein, such as nationality, age and gender.

2.2 Board Committees

Masisa's Board of Directors will have a Directors' Committee and a Risk and Audit Committee, the composition, operation and regulations of which are indicated below.

a. Risk and Audit Committee



The main purpose of the Risk and Audit Committee is to assist the Board of Directors in matters of corporate governance and in the comprehensive management of strategic and operational risks of all its businesses.

The Risk and Audit Committee will be made up of Directors elected by the Board of Directors and at least one of its members must be an expert in Corporate Governance and/or Risk Management.

The main functions of this Committee will be:

- To be ultimately responsible for monitoring, investigating and responding to complaints and/or reports made through the Business Principles Channel.
- To supervise compliance with the irregularities procedure.
- To define the structure of the Corporate Internal Audit Department, including processes and methodologies.
- To supervise the performance of the Internal Audit Department.
- To propose the Annual Risk Assessment Plan (“SAR”) to the Board for approval; review the Reports issued by the Internal Audit Department and ensure that the action plans are followed up and complied with.
- To support the Management in the Management of Strategic Risks, for which it will review, analyze and issue its comments to the Board of Directors regarding those risks presented by the Administration for its analysis.
- Prepare an annual report regarding the administration. This report, its activities and expenses are presented in the company’s annual report.

b. Directors Committee

The Directors’ Committee, required by Chilean law, will be made up of three Directors, one of whom must be an Independent Director, with the power to designate the other two members of this Committee.

The main functions of this Committee will be:

- To examine and decide upon the financial statements and reports of the external auditors that are delivered to the Company before the final submission of such financial information to the Shareholders’ Meeting.
- To propose to the Board of Directors the external auditors and risk rating agencies that will be suggested at the Company’s Shareholders’ Meeting.
- To examine and report to the Board of Directors on transactions with related parties, as well as transactions in which a director, manager or executive of the Company has an interest.
- To examine the remuneration systems and compensation plans for the Company’s managers, collaborators and senior executives.
- To propose to the Board of Directors the approval of the policies and structure of compensation (salaries and benefits), performance, succession and others directly related to main executives, whether they are corporate or work in the countries where MASISA has operations.
- To approve the performance goals as the basis for defining the General Manager’s compensation.
- To review the level of compensation for each second-line executive along with the composition of the compensation structure.
- To define criteria for the payment of variable incentives.



- To approve the benefits associated with the position and other key person retention strategies.
- To prepare an annual report on its work, with the main recommendations to the shareholders. This report, its activities and expenses are presented in the annual report and are reported to the ordinary shareholders' meeting.
- Inform the Board of Directors regarding the advisability of contracting or not the external auditing company to provide services that are not part of the external audit.
- Suggest to the Board of Directors a conflict of interest management policy and rule on general habitual policies.

The Directors' Committee will supervise the work of the External Auditors, thus ensuring an adequate level of independence from the Company's Administration. The main topics monitored will be related to:

- Ensuring that the external auditors have all the information required in a timely manner, so that they can issue an independent opinion on the consolidated and individual financial statements of the Company.
- Compliance with any regulatory requirement applicable to the countries where MASISA has businesses, this includes the corresponding certifications regarding the internal control of MASISA and its affiliates.
- The external audit company will last no longer than 5 years and the partner in charge of Masisa's account will be changed every 3 years.

The Committee will meet periodically, at least quarterly, with the external audit company, to review, among other things, the annual audit program, any deficiencies detected regarding accounting practices, audit system, administration systems, irregular situations that must be communicated to authority, audit results and possible conflicts of interest. The external auditor may meet in executive meetings (without the presence of the Administration) when so determined by the Board of Directors, the Committee or at the request of the same external auditor.

2.3 Rules Applicable to the Board of Directors and its Committees

a. Meetings

The Board of Directors, together with the Directors and Risk and Audit Committees, will meet regularly, in accordance with a previously approved annual meeting program, to deal with recurring and non-recurring matters that are defined in said annual plan. Likewise, they will meet in an extraordinary manner whenever necessary.

The summons will be sent at least one week in advance. Each summons will indicate the matters that will be dealt with in the respective meetings, attaching to each member the presentations and documents necessary for their proper analysis in the meetings.

All documentation and presentations made to the Board of Directors and Committees will be filed in a register kept by the Legal Manager and the Secretary of the Board.

b. Participation.



Except for those matters of exclusive competence, non-members of the respective Board Committees will be invited to participate in the meetings of each Committee, only with the right to speak.

In addition, in the case of matters of joint competence of the Board of Directors and of any of the Committees, joint meetings may be held, but leaving separate and individual records of the votes in each one of them.

c. Budget

The Board of Directors and the Committees will have an annual budget, approved by the Shareholders' Meeting, with which they may hire special and specific advisory services for matters concerning the fulfillment of their functions. These contracts will be subject to the following rules:

- They must be reported at the next shareholders' meeting, indicating the amounts paid.
- They must indicate the main conclusions or contributions of said consultancies
- It should be reported if there is any link between a Director or Senior Executive with the consultant, in the same terms as if it were transactions between related parties.

d. Required Time

The Directors and members of the Committees must dedicate the adequate and necessary time for analyzing the topics of interest to the Company.

The Directors must dedicate at least the hours required to attend the ordinary meetings and of each Committee to which the Director belongs, according to the previously approved annual program, plus the equivalent time for reviewing the pre-reading material that the Administration must make available to him in advance.

The Directors undertake to attend at least 75% of the Board meetings held in the respective year. The foregoing, except in cases of force majeure or justified situations.

Likewise, the Directors agree not to participate in more than 4 Boards of *sociedades anonimas abiertas* (listed on the Stock Exchange), in addition to MASISA, whether they are national or foreign.

e. Hiring of Consultancies

The Board of Directors or any of its Committees, under the budgets approved at the Shareholders' Meeting, may hire advisory or consulting services in the various matters within their competence. For these purposes, at the request of any of its members and with the approval of the majority of the members, the respective consultancy will be hired.

For well-founded reasons, any Director may oppose the hiring of an advisor or consultant, which shall be recorded in the minutes.

The reports of advisers and consultants will be detailed in the management reports indicated in letter f) below.

f. Management Reports



The Board of Directors, the Board Committees and the Risk and Audit Committees will prepare an annual report that will be published in the Company's annual report, which will contain the topics discussed in the respective year, the attendance of each Director, the consultancies hired and expenses incurred during the year, their recommendations to the shareholders and other relevant matters.

g. Corporate Governance Practices Reports

The Board of Directors annually discloses the structure and operation of the company's corporate governance, referring to the adoption of good practices. This disclosure is made in its Annual Report and in accordance with the regulations issued by the CMF or the standards defined by the company.

h. Meetings

The annual planning of the Board of Directors must contemplate the holding of one or more meetings at the company's facilities in Chile and at foreign subsidiaries where Masisa carries out its business. This, in order to know and see the state and operation of the different plants and operations, interact with employees, hear all kinds of concerns and needs about their functions and other matters.

This point may not be considered when there are well-founded reasons that do not allow visits, which will be informed and authorized by the Chairman of the Board.

2.4 Administration

a. Responsibility and Levels of Authority

MASISA's Administration will be responsible for designing, disseminating and monitoring the operational guidelines derived from the Mission, Vision, Values, Principles and Business Strategy based on the Triple Bottom Line approach: Financial, Social and Environmental.

The Administration will be led by the General Manager and supported by the business and support levels that provide leadership and establish the necessary parameters to ensure an adequate and effective control environment that supports the fulfillment of the business strategy and goals.

The members of the Administration must be committed to the interests of the Company. No member of the Administration should pursue personal interests with their decisions, or pursue any business opportunities for their own benefit that they come to know of due to their position.

The powers available to the Company's Administration will be those formally delegated in the Authority Delegation Policy ("PDA") approved by the Company's Board of Directors. This Policy also contains the general approval of the Board of Directors, for those transactions between related parties, which, according to Chilean law, are capable of being delegated to the Administration.

b. Approval of matters of competence of the Board of Directors and Committees and follow-up.

For the purposes of its own functions, as well as those delegated according to the PDA or Chilean law, the Administration must send to the Chairman and the Secretary of the Board, the issues that require



approval, either from the Board or from any of the Committees. This request needs to be informed and/or presented at least 8 business days before to the respective meeting.

The Secretary of the Board of Directors is responsible for informing the agenda, preparing the pre-reading material for each meeting, as well as implementing an adequate monitoring system for the agreements of the Board and its Committees.

In the case of the Risk and Audit Committee, the role of Secretary is performed by the Internal Audit Manager.

c. Reporting Committee

This committee will be responsible for supporting the General Manager and the Finance and Administration Manager regarding the issuance of information that the Company must deliver to the regulatory authorities.

This Committee will be made up of the General Manager, the Finance and Administration Manager, the Legal Manager, the Internal Audit Manager and the Administration and Accounting Manager.

f. General Manager. Principal functions

The main functions of the General Manager will be:

- To legally represent MASISA (including in-court representation).
- To manage Masisa's operations responsibly, this includes the Business Units and Countries, and in general, corporate functions.
- Financial health.
- To propose and execute Masisa's strategy and strategies by Business Units and Countries.
- To ensure compliance with the operational results budgeted for each Business Unit and Country, maintaining consistency of operations with the principles and values.
- To report the results of the Company to the Board on a monthly basis, and the relevant projects that, according to this organizational structure, have to be reported by it.

g. Succession plan

The Company will develop an annual talent plan, which will seek to identify potential successors to critical positions, including senior executives, and will determine the required development actions. In addition, there will be a procedure for the transfer of duties and information to ensure an adequate transition in the event that a critical position vacancy occurs.

h. Compensation and Incentive System

The compensation and incentive programs for the Executives must be designed and implemented to ensure alignment of the long-term interests of the shareholders and stakeholders.

The compensation policies must be approved by the Company's Directors Committee.



III. GOVERNANCE STRATEGY

1. Business Principles

1.1 Declaration and Communication

MASISA's Declaration of Business Principles will contain its commitment to issues such as compliance with the law, ethical behavior, workers' rights and respect for the social environment and the environment.

The Administration and of each of its collaborators, will be responsible for ensuring compliance with this Declaration of Business Principles.

The scope of coverage of these Principles will be:

- Economic results.
- Business conduct.
- Individual conduct.
- Relations with Our Customers.
- Relations with Our Collaborators.
- Relations with our Communities, Suppliers, Society and the Environment.

1.2 Conflicts of Interest

A conflict of interest means any circumstance, fact or personal situation that interferes with the ability of the Director, executive or collaborator, to make objective decisions, in the best interest of MASISA, or to take advantage of a business opportunity through the use of the Company's property, information or position, for themselves or for third parties.

In general, MASISA employees should avoid situations in which a conflict of interest may arise between their duties and responsibilities as Company employees and their personal relationships.

When the situation described above is viewed as possible or probable, it will be considered a risk, and will therefore be dealt with accordingly.

Conflicts of interest will be subject to the following rules:

- The Directors, executives and collaborators of MASISA, as well as their Related Parties, that is, spouses, partners or relatives up to the second degree of consanguinity or affinity (grandparents, parents, siblings, children, grandchildren, in-laws, brothers-in-law) and the companies, in general, in which an executive or collaborator of MASISA is a director or owner of more than 10% of its shares, will not be able to enter into contracts with the Company, especially contracts for the purchase and/or sale of goods and/or services, without such acts or contracts being previously reviewed and approved. Said approval must be made by the Directors' Committee and by the Company's Board of Directors in the case of key executives, and by the General Manager or the Country's Manager according to the geographic or physical location of the collaborator in question.



Said approval mechanisms must ensure that such contracts contribute to the company's interest and are adjusted in price, terms and conditions to those that usually prevail in the market at the time of their approval. Likewise, said transactions must comply with current legal provisions.

- In addition to the authorizations indicated in the previous paragraph and in any situation involving a conflict of interest or risk of conflict, the Director, Executive or collaborator, must refrain from participating in any of the stages of the contract or service regarding which he has a conflict of interest.
- Directors, executives and collaborators may not participate in the property or administration of companies, except for *sociedades anónimas abiertas*, or carry out negotiations by themselves or through a third party, in the same line of business as MASISA, unless there is a written authorization issued by the Board of Directors of MASISA, in the case of the Senior Executives. For other collaborators, the authorization of the General Manager will suffice.
- For the purposes of guaranteeing adequate knowledge and administration of matters that could give rise to conflicts of interest, the Directors, senior executives and collaborators in general, will answer an annual survey on this matter and will report each time there is any change related to the information indicated above, or the main businesses, activities and investments in which they have an interest, either directly or through one of their related parties.
- For the identification of conflicts of interest, a period of 18 months prior to the execution of the action or contract that originates it will be considered.

Regarding transactions with Related Parties, the Directors will be responsible for supervising and dealing with possible conflicts of interest of managers, Directors or shareholders, in order to avoid:

- The misuse of MASISA's assets.
- Abusive transactions between related parties.

1.3 Information and Transparency

The transparent, accurate and timely disclosure of information is a key process in MASISA's Governance strategy. Notwithstanding the foregoing, the protection of confidential information owned by MASISA will be ensured. Such information may only be disclosed in accordance with Company policies or pursuant to the law. The primary means of communicating information to our audiences will be:

- Website: www.masisa.com
- Annual Report and Quarterly Consolidated Financial Statements, in accordance with Chilean regulations.
- Sustainability Report, of a voluntary nature, which is nonetheless also audited by external auditors and prepared in accordance with generally accepted international standards.
- Press reports or press releases.
- Presentations to investors.
- Information sent to the Commission for the Financial Market and Stock Exchange of Chile regarding relevant information about the Company.



The information that is delivered to our audiences will consider the financial, social and environmental aspects, according to the Triple Bottom Line theory.

1.4 Insider Information

In relation to insider information, MASISA will have a Manual for Dealing with Sensitive Information that regulates the use and publication of information that may affect MASISA's stock price and the reporting of financial transactions carried out by persons who possess insider information. In this policy, MASISA will limit the number of people with access to insider information and will minimize the time that elapses between the generation and disclosure of said information.

The Board of Directors, without prejudice to its duty to preserve and safeguard the strategic interests of the Company, will make public as soon as possible all new events that have occurred in the scope of the Company's activities and that are not yet public, if, due to their effects on the equity and financial situation or on general commercial activities, they can significantly influence the stock market price of the securities issued by the Company. For these purposes, the Board of Directors expressly submits to the provisions of current legislation regarding the securities market, especially in relation to "material events", "*hechos reservados*" and "Information of Interest".

1.5 Business Principles Channel

MASISA has created communication channels where direct or anonymous complaints of infractions can be made in relation to its Business Principles, Ethical Conduct Standards, Conflicts of Interest or any matter related to a possible regulatory breach of its internal control environment, its financial statements and situations or events that require the opinion of the Administration and/or the Board of Directors.

For all complaints received, a timely, independent, confidential and non-retaliatory analysis is ensured, through a process structured and monitored by the Risk and Audit Committee of the MASISA Board of Directors and independent of the Company's administration.

The complaints can be sent in writing in an envelope to the Secretary of the Risk and Audit Committee: Av. Apoquindo 3650, 10th floor. Las Condes, Santiago, Chile, or by email principios@masisa.com

2. Triple Bottom Line

MASISA's business management policy will be based on the Triple Bottom Line theory, which will comprehensively and simultaneously focus on obtaining the highest quality indices in its performance across the financial, social and environmental spheres. Actions carried out in the social and environmental areas should always aim to generate economic value for the company.

The strategy will be monitored on a periodic basis through the management tool called Sustainability Scorecard©, which considers the permanent control of the strategic objectives in the areas of Finance, Customers, Processes and Technology, Social and Environmental Responsibility and Learning and Development.

3. Policies and Procedures



The Company will have in place documented, implemented and accessible policies for all its collaborators.

The corporate policies will be approved by the General Manager. Those policies that are directly related to the roles and responsibilities of the advisory Committees of the Board, must additionally have the approval of said bodies, without prejudice to other applicable laws.

4. Risk Management and Internal Control

MASISA will protect and increase the value for its shareholders and stakeholders, by identifying, evaluating and managing risks and internal controls.

Risk management and maintenance of an adequate control environment in all its operations will be the responsibility of the Administration and is periodically monitored by the Board of Directors, a task that is supported by the Risk and Audit Committee.

MASISA has a formal and systematic process, through which it supports risk management for its businesses. This process includes among its main components:

- a. Annual evaluation of key risks carried out by the Administration and reported to the Board of Directors.
- b. Independent evaluations carried out by the Internal Audit Management of MASISA's internal control structure.
- c. Certification evaluations (ISO, OHSAS, FSC®, etc.) carried out by external companies.
- d. Review of financial statements by External and Internal Audit.
- e. Risk inspection in MASISA's operations, carried out by insurance companies.

The result of internal and external evaluations, plus the status of compliance with the action plans committed by the administration, is periodically monitored by the Risk and Audit Committee.

5. Crime Prevention Model

MASISA has a risk prevention model to comply with the regulations on criminal liability of legal entities, based on a governance framework made up of policies and procedures that regulate processes that may have some relation to the crimes of bribery, money laundering and financing of terrorism. For these purposes, Masisa appoints a Crime Prevention Officer for a period of 3 years, who is responsible for supporting and strengthening the processes for the prevention of these crimes.