



## **Corporate Governance Practices**

In accordance with NCG No. 385 from the Financial Market Commission (CMF), the Board of Directors of Grupo Security has made information regarding its corporate governance practices as of December 31, 2021, available to the public on its website, [www.security.cl](http://www.security.cl).

Santiago, March 22, 2022

## NCG No. 385 CORPORATE GOVERNANCE PRACTICES GRUPO SECURITY S.A.

Practice	Adoption	
	YES	NO
<b>1. Functions of the Board of Directors</b>		
<b>a) The board has an orientation procedure or mechanism for each new director designed to facilitate the process of learning about or understanding:</b>	x	
<p>Explanation: When a new Director is elected or when an existing Director requires updated information. The Group has an orientation procedure for Directors approved at board meeting No. 257 on September 26, 2013. This orientation process, as defined in the minutes from that meeting, is led by the Chief Executive Officer (CEO).</p> <p>Through this orientation process and a series of interviews with different Group executives, Directors learn about the company, its businesses, risks, policies, procedures, significant accounting policies and the most significant current legal framework applicable to the Company and the Board.</p>		
<b>ii. Relevant stakeholders that have been identified by the entity as well as the reasons why they are identified as such and the main mechanisms used to understand their expectations and maintain stable and lasting relationships with them.</b>	x	
<p>Explanation: These definitions are covered in the orientation process provided to new Directors.</p>		
<b>iii. The mission, vision, strategic objectives, principles and values that must guide the actions of the company, its directors and personnel, and policies on inclusiveness, diversity, sustainability and risk management approved by the board.</b>	x	
<p>Explanation: These definitions are covered in the orientation process provided to new Directors.</p>		
<b>iv. The most relevant legal framework applicable to the company, its board and its main executives.</b>	x	
<p>Explanation: This information can be found in the materials provided to each Director in their orientation packet (Art. 16, 17, 18 and 20 LMV, DS 702, etc.). Grupo Security's lawyers are also available to answer questions.</p>		
<b>v. The duties of care, prudence, loyalty, diligence and reporting contained in current law for which each board member is responsible and examples of the most pertinent local judgments, penalties and pronouncements issued over the last year related to these duties.</b>	x	
<p>Explanation: The most pertinent local judgments, penalties and pronouncements issued over the last year related to these duties are analyzed by the Directors' Committee when applicable.</p>		
<b>vi. The main agreements adopted during the two years preceding their appointment to the board and the reasons considered to make such agreements or to rule out other alternatives evaluated.</b>	x	
<p>Explanation: The Directors have an exclusive extranet site containing the financial statements and matters addressed previously by the Board. The Chairman and CEO are also available to answer questions.</p>		
<b>vii.- The most pertinent items in the prior year's quarterly and annual financial statements with their explanatory notes, as well as accounting policies used in preparing these financial statements.</b>	x	
<p>Explanation: The Directors have an exclusive extranet site containing the financial statements and matters addressed previously by the Board. The Corporate Chief Accounting Manager is also available to answer questions.</p>		
<b>viii. How the board defines conflict of interest and how situations that could present conflicts of interest should be addressed, either in the board's opinion or in accordance with codes or handbooks established for such purposes, and notwithstanding those conflicts of interest expressly covered by law.</b>	x	

Practice	Adoption	
<p>Explanation: The Code of Ethics (page 10) defines conflicts of interest as: "situations that may put at risk the image of Grupo Security or the confidence placed in it. Company policy is that the interests of our customers should never be compromised. Therefore, employees are required to disclose to their supervisors the nature and extent of any conflict between their own personal, social, financial, or political interests and those of a customer, or even the possibility of such a conflict. The customer's interests should always take precedence and they should always receive fair and equal treatment. If not possible, the employee should refrain from performing the transaction." The concept of conflict of interest is also addressed extensively in the Code of Conduct and the Market Information Manual.</p> <p>These recently updated documents are included in the orientation packet given to Directors and are published on Grupo Security's website at: <a href="http://ir.security.cl/phoenix.zhtml?c=2543339&amp;p=irol-govDoc">http://ir.security.cl/phoenix.zhtml?c=2543339&amp;p=irol-govDoc</a></p>		
<b>b) The board has a procedure or mechanism for ongoing board training in order to keep directors up to date that:</b>	<b>YES</b>	<b>NO</b>
<b>i. Defines at least yearly the topics of board trainings and the training calendar for that respective year.</b>		x
<p>Explanation: Each Director may request external training or the Board may suggest topics for training and approve them by a simple majority.</p>		
<b>ii. Includes corporate governance best practices that have been adopted by other local and international entities.</b>		x
<p>Explanation: Each Director may request external training or the Board may suggest topics for training and approve them by a simple majority.</p>		
<b>iii. Includes the main advancements seen locally and internationally over the last year in inclusiveness, diversity and sustainability reporting.</b>		x
<p>Explanation: Each Director may request training or the Board may suggest topics for training and approve them by a simple majority.</p>		
<b>iv. Includes the main tools for risk management, including those related to sustainability, that have been implemented over the last year locally and internationally.</b>		x
<p>Explanation: Each Director may request training or the Board may suggest topics for training and approve them by a simple majority.</p>		
<b>v. Includes the most pertinent judgments, penalties or pronouncements issued locally and internationally over the last year related to the duties of care, prudence, loyalty, diligence and reporting.</b>		x
<p>Explanation: Each Director may request training or the Board may suggest topics for training and approve them by a simple majority.</p>		
<b>vi. Includes a review of examples of situations that constitute a conflict of interest in the board and ways in which such conflicts of interest can be prevented or resolved in the <u>company's</u> best interest.</b>		x
<p>Explanation: Each Director may request training or the Board may suggest topics for training and approve them by a simple majority.</p>		
<b>vii. Discloses on a yearly basis the topics on which the board has received training over the last year.</b>	x	
<p>Explanation: When applicable.</p>		
<b>c) The board has a policy of hiring experts to advise it on accounting, tax, financial, legal or other matters.</b>	<b>YES</b>	<b>NO</b>
<b>i. That allows one or more directors to veto the hiring of a particular advisor.</b>		x
<p>Explanation: A general budget is allocated for this purpose by shareholders at the annual general meeting (AGM). It is to be used by the Board as a whole. When he or she deems appropriate, each Director can formally request that the Board hire advisors to be used by the Board as a whole. These advisors are approved by a simple majority of the Board.</p>		
<b>ii. That, upon request from at least one board member, the advisor is hired for the matter requested by him or her.</b>		x
<p>Explanation: A general budget is allocated for this purpose by shareholders at the AGM. It is to be used by the Board as a whole. When he or she deems appropriate, each Director can formally request that the Board hire advisors to be used by the Board as a whole. These advisors are approved by a simple majority of the Board.</p>		

Practice	Adoption	
<b>iii. That calls for disclosure, at least once a year, of the advisory services requested but not hired, specifying the reasons for which the board made this particular decision, which should also be duly reflected in the minutes of the respective meeting.</b>		x
Explanation: Disclosure by any means is at the Board's discretion.		
<b>d) The board meets with the external auditing firm in charge of auditing the financial statements at least quarterly in order to analyze:</b>	<b>YES</b>	<b>NO</b>
<b>i. The audit program or plan.</b>	x	
Explanation: Once the External Auditor has been defined by shareholders at the AGM, the Board meets with the firm annually to familiarize itself with the audit and work plan to be carried out during the year, as well as the scope of its work.		
<b>ii. Possible differences detected in the audit in regard to accounting practices, administrative systems and internal auditing</b>	x	
Explanation: The external auditing firm briefs the Board on the results of its work at meetings to present the Management Letter and the annual and interim financial statements. At these meetings, the lead partner explains any differences with management and/or restrictions on information requested.		
<b>iii. Possible serious weaknesses that may have been detected and those irregular situations which due to their nature must be reported to the competent regulatory agencies.</b>	x	
Explanation: The external auditing firm briefs the Board on the results of its work at meetings to present the Management Letter and the annual and interim financial statements.		
<b>iv. The results of the annual audit program.</b>	x	
Explanation: The external auditing firm briefs the Board on the results of its work at meetings to present the Management Letter and the annual and interim financial statements.		
<b>v. Possible conflicts of interest that could exist in regard to the external auditing firm or its personnel, due to the provision of other services to the company or to the companies of the corporate group, and due to other situations.</b>	x	
Explanation: The external auditing firm discloses possible conflicts of interest in its meetings with the Board.		
<b>e) The board meets with the entity's risk management unit or the equivalent responsible unit at least quarterly in order to analyze:</b>	<b>YES</b>	<b>NO</b>
<b>i. The correct functioning of the risk management process.</b>		x
Explanation: The unit meets with the Directors' Committee at each of its meetings and at least twice per year with the Board.		
<b>ii. The risk matrix used by the unit, the main sources of risks and the methodology for detecting new risks, and the probability and impact of the most pertinent risks occurring.</b>	x	
Explanation: The Company has a Comprehensive Risk Management Policy that is managed using Risk Matrices by company, by process and by task.		
<b>iii. Recommendations and improvements that, according to the unit, would make the entity's risk management more effective.</b>	x	
Explanation: The company has a corporate IT tool that the Internal Auditing, Risk and Corporate Compliance Area uses to identify the most pertinent processes and risks (inherent and residual). It also monitors action plans and in that way each company receives pertinent information on its company from the same source and therefore can manage its risks.		
<b>iv. The contingency plans designed to react in the case of critical events, including the continuity of the board in crisis situations.</b>	x	
Explanation: Subsidiaries have contingency and operational continuity plans.		
<b>f) The board meets with the entity's internal auditing unit, compliance officer or the equivalent responsible unit at least quarterly in order to analyze:</b>	<b>YES</b>	<b>NO</b>
<b>i. The annual audit program.</b>	x	
Explanation: The unit meets with the Directors' Committee at each of its meetings and at least twice per year with the Board.		
<b>ii. Possible serious weaknesses that may have been detected and those irregular situations which due to their nature must be reported to the competent regulatory agencies or the Attorney General's Office.</b>	x	
Explanation: The unit meets with the Directors' Committee at each of its meetings and at least twice per year with the Board and informs them of observations from regulatory agencies, if any.		

Practice	Adoption	
<b>iii. Recommendations and improvements that, according to the unit, would be appropriate to make in order to minimize the occurrence of irregularities or fraud.</b>	x	
Explanation: The unit meets with the Directors' Committee at each of its meetings and at least twice per year with the Board and informs them of audits conducted during the period and monitoring of action plans.		
<b>iv. The effectiveness of the crime prevention models implemented by the company.</b>	x	
Explanation: The unit meets with the Directors' Committee at each of its meetings and at least twice per year with the Board and informs them of advancements and compliance with current regulations and internal policies.		
<b>g) The board meets with the entity's social responsibility and sustainable development unit or the equivalent responsible unit at least quarterly in order to analyze:</b>	YES	NO
<b>i. The effectiveness of the policies approved by the board to disseminate within the organization, among shareholders and to the general public, the benefits to the company of diversity or inclusiveness.</b>		x
Explanation: During the second half of 2020, management decided to incorporate international standards into its sustainability management efforts in order to put in place policies, initiatives and indicators. For this, it performed a diagnostic with help from an international ESG risk rating agency, which helped identify sustainability risks and opportunities and create a roadmap for the next few years for short-, medium- and long-term value creation.		
<b>ii. The detected organizational, social or cultural barriers that could be inhibiting the natural diversity that would have existed without those barriers.</b>		x
Explanation: Not applicable.		
<b>iii. The usefulness and acceptance of the sustainability reports disclosed to the company's relevant stakeholders.</b>		x
Explanation: Not applicable.		
<b>h) The board visits the different offices and facilities of the company every year, in order to know:</b>	YES	NO
<b>i. The state and operation of those offices and facilities.</b>		x
Explanation: The Company does not have any facilities other than its headquarters.		
<b>ii. The main duties and concerns of those who work in these offices and facilities.</b>		x
Explanation: The Company does not have any facilities other than its headquarters.		
<b>iii. Recommendations and improvements that, according to the people responsible for those offices and facilities, would be appropriate to make in order to improve their operation.</b>		x
Explanation: The Company does not have any facilities other than its headquarters.		
<b>i) Out of the meetings held for every point referred to in the previous letters d) to f), at least one for each point is held without the company's CEO being present.</b>		x
Explanation: As explained in the preceding points, this has not been considered.		
<b>j) The board has a formal continual improvement procedure in place:</b>	YES	NO
<b>i. To detect and implement possible improvements in its organization and its functions.</b>		x
Explanation: The Board is continuously examining different matters in more depth and adding other areas of interest.		
<b>ii. To detect the areas in which its members can strengthen and continue improving.</b>		x
Explanation: The Board is continuously examining different matters in more depth and adding other areas of interest.		
<b>iii. To detect and reduce organizational, social or cultural barriers that could be inhibiting the natural diversity of capabilities, visions, characteristics and conditions that could have existed within the board without those barriers.</b>		x
Explanation: The Board is continuously examining different matters in more depth and adding other areas of interest.		

Practice	Adoption	
<b>iv. That, notwithstanding any legal obligation, specifically include the determination of the minimum number of ordinary meetings, the minimum average time they must dedicate to face-to-face and remote meetings, the amount of time in advance that the meeting should be summoned, and the appropriate information required for their correct execution, recognizing the particular characteristics of the company as well as the diversity of experiences, conditions and knowledge existing on the board, based on the complexity of the matters to discuss.</b>	x	
Explanation: The Board meets at least monthly, with no exceptions, and can also hold extraordinary meetings when necessary.		
<b>v. That specifically considers any change, if necessary, in the organization and functioning of the board in contingency or crisis situations.</b>		x
Explanation: The Board has tested a remote electronic voting system and met throughout 2021 using this system because of the COVID-19 contingency.		
<b>vi. That considers the advice of an external expert for the detection and implementation of these possible improvements or areas to be strengthened.</b>		x
Explanation: This has not been considered.		
<b>vii. That the detection referred to in the previous points i) to iii) is done at least annually.</b>		x
Explanation: This has not been considered.		
<b>k) The board has an information system in place, accessed by every director, that:</b>	YES	NO
<b>i. Allows him or her to safely, remotely and permanently access all minutes and documents shown in every board meeting over the last three years, using an organizational mechanism that allows them to be indexed and searched for.</b>	x	
Explanation: Information is promptly made available in printed form and/or digitally on the Directors' extranet.		
<b>ii. Allows him or her to safely and remotely access, and notwithstanding the legal obligations regarding summons filing deadlines and contents, the minutes and documents summarizing all the matters to be discussed in that meeting and every piece of information that will be presented at that meeting or additional information necessary to prepare for it.</b>	x	
Explanation: Information is promptly made available in printed form and/or digitally on the Directors' extranet.		
<b>iii. Allows the access referred to in point ii) at least five days prior to the meeting.</b>		x
Explanation: Given the nature of the different businesses and companies, it is not possible to make this information available at least five days prior to the meeting. However, it is always provided before the meeting.		
<b>iv. Allows him or her to safely, remotely and permanently access the reporting hotline implemented by the company.</b>		x
Explanation: The hotline is centrally managed by a special unit and reported to the Directors' Committee, which in turns informs the Board if necessary and pertinent.		
<b>v. Allows him or her to review the final text of the minutes of said meeting.</b>	x	
Explanation: Information is promptly made available in printed form and/or digitally on the Directors' extranet.		
<b>vi. Allows the review referred to in point v) no more than five days following the meeting.</b>		x
Explanation: The minutes are normally sent before the next board meeting.		
<b>2. Relationship between the Company, the Shareholders and the General Public</b>		
<b>a) The board has implemented a formal, working procedure for shareholders to be informed:</b>	YES	NO
<b>i. At least three months before the shareholders' meeting at which directors will be elected, about the diversity of capabilities, conditions, experiences and visions that the board advises having in order for the board to be in the best possible condition to look out for the company's interest.</b>		x

Practice	Adoption	
<p>Explanation: The Group has a procedure for publishing information regarding the candidates being nominated as Directors who have accepted the nomination and have declared themselves eligible to accept the position on Grupo Security's website (www.security.cl) at least two days before the annual shareholders' meeting.</p> <p>Candidates are proposed by shareholders before the AGM and select the information about them that they wish to be published.</p>		
<b>ii. Before the voting, of the maximum number of boards on which the directors elected by the shareholders should serve in the board's opinion.</b>		x
Explanation: The company has not defined or established an advisable maximum of boards on which a director can serve.		
<b>iii. Before the voting, the experience, profession or trade of the board candidate.</b>	x	
<p>Explanation: The Group has a procedure for publishing information regarding the candidates being nominated as Directors who have accepted the nomination and have declared themselves eligible to accept the position on Grupo Security's website (www.security.cl) at least two days before the annual shareholders' meeting.</p> <p>Candidates are proposed by shareholders before the AGM and select the information about them that they wish to be published.</p>		
<b>iv. Before the voting, whether the board candidate has or has had contractual, commercial or other relations with the company's controller, main competitors or suppliers, in the last 18 months.</b>	x	
<p>Explanation: The Group has a procedure for publishing information regarding the candidates being nominated as Directors who have accepted the nomination and have declared themselves eligible to accept the position on Grupo Security's website (www.security.cl) at least two days before the annual shareholders' meeting.</p> <p>Candidates are proposed by shareholders before the AGM and select the information about them that they wish to be published.</p>		
<b>b) The board has implemented a formal mechanism, system or procedure that allows:</b>	<b>YES</b>	<b>NO</b>
<b>i. The shareholders to participate and exercise their right to vote remotely at the same time as the shareholders that are physically present at the meeting.</b>	x	
Explanation: A procedure has been in place since the annual general meeting in April 2020, published on Grupo Security's website: <a href="https://ir.security.cl/es">https://ir.security.cl/es</a>		
<b>ii. The shareholders to observe remotely and in real time what happens at the shareholders' meetings.</b>	x	
Explanation: The entire meeting, including all voting and agreements, can be streamed online.		
<b>iii. The general public to be informed in real time of the agreements adopted at the shareholders' meetings.</b>	x	
Explanation: The entire meeting, including all voting and agreements, can be streamed online.		
<b>iv. The general public to be informed of the agreements adopted at the shareholders' meetings, with a delay of no more than five minutes after the agreements are voted.</b>	x	
Explanation: The entire meeting, including all voting and agreements, can be streamed online.		
<b>c) The board has approved a policy and established formal procedures in order to annually provide the public information regarding:</b>	<b>YES</b>	<b>NO</b>
<b>i. The policies adopted by the company in matters of social responsibility and sustainable development.</b>		x
Explanation: In 2021 the new Corporate Affairs Division was created to take on this challenge of incorporating international methodologies and standards. This new area, which reports to the Board of Directors, is also responsible for coordinating work between subsidiaries and continuously monitoring progress using matrix reports on sustainability matters. A roadmap was also established for this period, which includes short-, medium- and long-term initiatives to be implemented in 2022.		
<b>ii. The stakeholders identified by the company as relevant, as well as the reasons why they are identified as such.</b>		x
Explanation: These definitions are evaluated continuously by the Board, but no formal procedure has been established.		
<b>iii. The company's relevant risks, including those related to sustainability, as well as the main sources of those risks.</b>		x
Explanation: In 2021 the new Corporate Affairs Division was created to take on this challenge of incorporating international methodologies and standards. This new area, which reports to the Board of Directors, is also responsible for coordinating work between subsidiaries and continuously monitoring progress using matrix reports on sustainability matters. A roadmap was also established for this period, which includes short-, medium- and long-term initiatives to be implemented in 2022.		

Practice	Adoption	
<b>iv. The indicators measured by the company in matters of social responsibility and sustainable development.</b>		x
Explanation: In 2021 the new Corporate Affairs Division was created to take on this challenge of incorporating international methodologies and standards. This new area, which reports to the Board of Directors, is also responsible for coordinating work between subsidiaries and continuously monitoring progress using matrix reports on sustainability matters. A roadmap was also established for this period, which includes short-, medium- and long-term initiatives to be implemented in 2022.		
<b>v. The existence of goals and the evolution of sustainability indicators.</b>		x
Explanation: In 2021 the new Corporate Affairs Division was created to take on this challenge of incorporating international methodologies and standards. This new area, which reports to the Board of Directors, is also responsible for coordinating work between subsidiaries and continuously monitoring progress using matrix reports on sustainability matters. A roadmap was also established for this period, which includes short-, medium- and long-term initiatives to be implemented in 2022.		
<b>d) Regarding the definition of policies, indicators and reporting formats referred to in letter e), international standards have been followed, such as the directives in ISO 26000:2010, or the Reporting Principles and Standard Disclosures of the "Global Reporting Initiative" or the "International Integrated Reporting Council."</b>		x
Explanation: In 2021 the new Corporate Affairs Division was created to take on this challenge of incorporating international methodologies and standards (SASB).		
<b>e) The company has an investor, shareholder and press relations unit, that:</b>	<b>YES</b>	<b>NO</b>
<b>i. Can clarify any doubt about the company, its businesses, main risks, financial, economic or legal situation, and publicly known dealings.</b>	x	
Explanation: The CEO gives quarterly presentations to analysts and investors as well as on an as-needed basis. The Group also has an Investor Relations Department that prepares and provides information as requested by different market players.		
<b>ii. Is staffed by people that are at least fluent in English in order to answer questions from people who do not speak Spanish.</b>	x	
Explanation: The CEO and the Investor Relations team are fluent in English.		
<b>iii. Is the only unit authorized by the board to answer such questions from shareholders, investors and the press.</b>	x	
Explanation: The Board has delegated to the Chairman, the CEO and the Investor Relations Department the task of delivering information to the market, investors and analysts once the quarterly and annual financial statements (FECU format) and other pertinent information has been approved.		
<b>f) The board has a formal procedure for continual improvement in place:</b>	<b>YES</b>	<b>NO</b>
<b>i. To detect and implement possible improvements in the generation and publication processes for the company's disclosures to the market in order for them to be easily understood by the public.</b>		x
Explanation: The Board has delegated this duty to the Chairman, the CEO and the Investor Relations Department.		
<b>ii. To detect and implement possible improvements in the generation and publication processes for the company's disclosures to the market in order for them to be provided to the market in a timely manner.</b>		x
Explanation: The Board has delegated this duty to the Chairman, the CEO and the Investor Relations Department.		
<b>iii. That considers the advice of an external expert for the detection and implementation of such improvements.</b>		x
Explanation: This has not been considered.		
<b>iv. That the detection referred to in the previous points i) and ii) is done at least annually.</b>		x
Explanation: This has not been considered.		
<b>g) The company has an up-to-date website where shareholders can easily access all of its public information.</b>		x
Explanation: The pertinent information is always available on the Company's website (www.security.cl).		
<b>3. Risk Management and Control</b>		



Practice	Adoption	
	YES	NO
<b>a) The board has implemented a formal risk management and control process, which is operating and:</b>		
<b>i. Was prepared using the risk management policies approved by the board as general guidelines.</b>	x	
<p>Explanation: Each company has Credit, Financial and Operational Risk Management Policies and Control Procedures that have been approved by the respective Committees and the boards of each Subsidiary. There is also a Corporate Comprehensive Risk Management Policy, which serves as the general framework for other risk prevention, reporting and monitoring policies.</p> <p>These policies and procedures are reviewed and updated periodically by the Board as needed.</p>		
<b>ii. Has a Risk Management unit or equivalent, which reports directly to the board and is in charge of detecting, quantifying, monitoring and communicating risks.</b>	x	
<p>Explanation: The Control and Business Risk Area, which reports to the parent company, performs audits at each subsidiary and reports findings to the Directors' Committee, to the Audit Committee, when appropriate, and to the boards of the most important companies.</p>		
<b>iii. Has an Internal Audit unit or equivalent, which reports directly to the board and is responsible for verifying the effectiveness and fulfillment of the policies, procedures, controls and codes approved by the board.</b>	x	
<p>Explanation: The Control and Business Risk Area, which reports to the parent company, performs audits at each subsidiary and reports findings to the Directors' Committee, to the Audit Committee, when appropriate, and to the boards of the most important companies.</p>		
<b>iv. Includes, within the process of quantifying, monitoring and communicating risks, both the company's direct risks and any indirect risks that may arise from the other companies in the holding to which the company belongs.</b>	x	
<p>Explanation: The unit presents the risks and significant findings for each subsidiary to the Directors' Committee and the Board, as well as the Audit Committees and boards of the most important subsidiaries.</p>		
<b>v. Considers the potential impact of the occurrence of the sustainability, economic, social and environmental risks to which the company is exposed.</b>		X
<p>Explanation: In 2021 the new Corporate Affairs Division was created to take on this challenge of incorporating international methodologies and standards. This new area, which reports to the Board of Directors, is also responsible for coordinating work between subsidiaries and continuously monitoring progress using matrix reports on sustainability matters. A roadmap was also established for this period, which includes short-, medium- and long-term initiatives to be implemented in 2022.</p>		
<b>vi. Was prepared using guidelines from national and international principles, directives and recommendations such as, for example, those developed by The Committee of Sponsoring Organizations (COSO) or those contained in Control Objectives for Information and Related Technology (COBIT) created by ISACA or ISO 31000:2009 and ISO 31004:2013.</b>	x	
<p>Explanation: Grupo Security's Comprehensive Risk Management Policy includes best practices such as those indicated above when not covered expressly by internal Standards and Policies.</p>		
<b>vii. Includes a Code of Conduct or equivalent document, approved by the board and reviewed annually, that defines the principles and guidelines regarding the conduct of the company's personnel and board.</b>	x	
<p>Explanation: Grupo Security has a Code of Ethics and a Code of Conduct, both of which have been incorporated in employment contracts for over 10 years and are regularly updated and published on Grupo Security's website: <a href="https://ir.security.cl/es/gov-docs">https://ir.security.cl/es/gov-docs</a></p>		
<b>viii. Includes provisions on the distribution to and ongoing training of all related personnel, regardless of the type of employment contract they have with the company, regarding the policies, procedures, controls and codes implemented for risk management.</b>	x	
<p>Explanation: Physical copies of both the Code of Ethics and Code of Conduct are given to all employees in person, at which time the scope is explained. They also receive training regarding these codes.</p>		
<b>ix. Is reviewed and updated at least annually.</b>		x
<p>Explanation: Only when requested by the Board, when suggested by Standards or when incidents occur.</p>		
<b>b) The board has implemented a formal, working procedure:</b>	YES	NO

Practice	Adoption	
<b>i. To channel reports from its personnel (regardless of type of employment), shareholders, customers, suppliers or external third parties, regarding possible irregularities or illegal acts.</b>	x	
Explanation: The Group has an anonymous reporting hotline that guarantees the privacy, confidentiality and monitoring of the status of the report from the informant. A special unit receives all reports for the entire group and reports to the Directors' Committee and the Audit Committees if they involve subsidiaries.		
<b>ii. That guarantees the anonymity of the informant.</b>	x	
Explanation: The online hotline allows the informant to decide whether or not to identify him or herself.		
<b>iii. That allows the informant to know the status of his or her report.</b>	x	
Explanation: Once the report has been submitted, the informant receives a number with which it can follow up on his or her report.		
<b>iv. That is communicated to personnel, shareholders, customers, suppliers and third parties, both in training sessions and through the entity's website.</b>	x	
Explanation: A link to the hotline can be found on the corporate intranet and the Company's website. In addition, a newsletter is sent to all personnel twice monthly reminding them about the reporting hotline.		
<b>c) The board has implemented a formal, working procedure:</b>	YES	NO
<b>i. To detect and reduce organizational, social or cultural barriers that could be inhibiting the diversity of capabilities, conditions, experiences and visions that would have existed without those barriers.</b>		x
Explanation: In 2021 the new Corporate Affairs Division was created to take on this challenge of incorporating international methodologies and standards. This new area, which reports to the Board of Directors, is also responsible for coordinating work between subsidiaries and continuously monitoring progress using matrix reports on sustainability matters. A roadmap was also established for this period, which includes short-, medium- and long-term initiatives to be implemented in 2022.		
<b>ii. To identify the diversity of capabilities, knowledge, conditions, experiences and visions that their main executives must have.</b>		x
The organization has a model detailing organization-wide and specific skills that was created in collaboration with and validated by the CEO. The model is reviewed every three years in order to keep it aligned with the Company's strategic objectives.		
<b>iii. To identify potential replacements for the company's CEO and other main executives from within its personnel, using the process described in the previous point ii).</b>		x
The Group has a practice of evaluating talent in order to identify individuals with high potential and sound operational skills, creating plans for their development and growth within the Company. This practice is developed using a talent matrix and talent profiles prepared by an external consultant, which serves as the foundation for identifying potential replacements for managerial and executive positions. This process is activated when the need arises.		
<b>iv. To promptly replace the company's CEO and other main executives and to transfer their duties and relevant information in case of unexpected absence, thus minimizing the impact on the organization.</b>	x	
Explanation: The Board approved a formal procedure for replacing the CEO on September 26, 2013. A Talent Management Program has been implemented for the main executive and managerial positions within Grupo Security and its subsidiaries. The program's objective is to identify, retain and develop the main executives at the company and its subsidiaries. The organization has a removal, succession and temporary replacement policy for the CEO. In addition, the Group has a succession and replacement practice for senior management to ensure business continuity; This includes transferring duties and conducting an orientation process for senior management positions.		
<b>v. That calls for the detection referred to in points i) and ii) to be done at least annually.</b>		x
Explanation: The detection referred to in points i) and ii) above is performed continuously using an external consultant in keeping with the organization's organic growth and strategic growth through acquisitions.		
<b>d) The board has implemented a formal, working procedure:</b>	YES	NO
<b>i. To review, at least annually, the salary structures and compensation policies for the CEO and other main executives in order to detect and correct possible incentives that expose the company to risks that are not in line with the policies defined on the matter or lead to the committing of possible illegal acts.</b>	x	

Practice	Adoption	
<p>Explanation: There is an Incentive Policy in place and a Board Compensation Committee, which reviews and applies the Incentive Program on an yearly basis. Compensation policies are linked to performance evaluations that consider risk management issues.</p> <p>This Incentive Program, like the Compensation Policy that incorporates the valuation of risks (in all areas), is also reviewed by the Directors' Committee. The Group has a Compensation Committee, whose work is reviewed annually by the Directors' Committee. Regarding Directors, the Company's annual report contains information on allowances and bonuses.</p> <p>Salary gap studies on the industry are conducted by third-party consultants. These studies provide information on compensation trends and updated annual figures. The Group also has a Senior Management Incentive Plan. The amounts and the indicators used to measure performance (by group and individually) in accordance with this plan are reviewed on a yearly basis. These indicators come from a variety of areas, including financial, commercial, efficiency, human capital, strategic projects, among others. Lastly, each year Compensation Committee analyzes the evolution of incentive plans and the expense that it represents annually for the businesses.</p>		
<p><b>ii. That includes advice from an external third party that assists the board, and the directors' committee if necessary, with the review referred to in the preceding point i).</b></p>		x
<p>Explanation: The Group has a procedure for reviewing salary structures and compensation and severance policies for the CEO and other main executives. This review is conducted as needed. The last review was performed by an external consultant in 2015.</p> <p>The current Incentive Plan was designed together with a third party consultant that is continuously making modifications and updates to the model, which is then presented to the Group's Directors' and Compensation committees.</p>		
<p><b>iii. That calls for the disclosure of the salary structures and compensation and severance policies for the CEO and other main executives on the company's website.</b></p>		x
<p>Explanation: The Group has not considered disclosing this information on its website.</p>		
<p><b>iv. That subjects these salary structures and policies to shareholder approval.</b></p>		x
<p>Explanation: Information about the application of these structures and policies is contained in the Company's annual report, which is subjected to shareholder approval at the AGM.</p>		
<p><b>4. The board's evaluation of its adoption of the practices contained in this standard:</b></p>		
<p><b>i. Has been reviewed and validated by an external third party.</b></p>		x
<p>Explanation: At the AGM every three years, which is the term for which board members are elected, the Directors' performance and capacities are reviewed, as well as the practices and contents of board meetings. Therefore, candidates are presented by shareholders at this same meeting.</p>		
<p><b>ii. The person or group of people that performed the review and validation have at least five years of proven experience in evaluating the effectiveness of processes and controls, or providing professional advisory or consulting services in the design and implementation of processes, risk management or continual improvement.</b></p>		x
<p>Explanation: At the AGM every three years, which is the term for which board members are elected, the Directors' performance and capacities are reviewed, as well as the practices and contents of board meetings. Therefore, candidates are presented by shareholders at this same meeting.</p>		
<p><b>iii. The entity or people that performed the review and validation are regulated by the Superintendency or similar foreign public or private organization.</b></p>		x
<p>Explanation: At the AGM every three years, which is the term for which board members are elected, the Directors' performance and capacities are reviewed, as well as the practices and contents of board meetings. Therefore, candidates are presented by shareholders at this same meeting.</p>		
<p><b>iv. The entity or people that performed the review and validation belong to a list compiled by Chilean stock exchanges of entities that meet the conditions defined for certifying the self-evaluation to which this standard refers.</b></p>		x
<p>Explanation: At the AGM every three years, which is the term for which board members are elected, the Directors' performance and capacities are reviewed, as well as the practices and contents of board meetings. Therefore, candidates are presented by shareholders at this same meeting.</p>		