



EXPLANATIONS TO THE MATTERS SUBMITTED FOR CONSIDERATION OF THE SHAREHOLDERS IN THE ORDINARY SHAREHOLDERS MEETING, TO BE HELD ON APRIL 29, 2016.

VOTING SYSTEM

The shareholders will be proposed to approve the voice vote system, in which case should raise their hand only the shareholders who oppose and those who abstain from voting the respective point of Table, having taken note of their names and shares representing, so can be understood that the rest of the shareholders, present or represented, approve the proposal.

Background: Pursuant to Article 62 of Law No. 18.046 of Corporations ("LSA") and the General Regulation No. 273 of January 13, 2010, of the Superintendency of Securities and Insurance ("SVS"), all matters, subject to decision of the board, shall be individually voted, unless, by unanimous agreement of the shareholders present and entitled to vote, its allowed to skip the vote of one or more matters, and proceed by acclamation. All voting made at a Shareholder's Meeting shall be made by a system that ensures the simultaneous emission of the votes or secretly, having the scrutiny carried out in a single public act, and in both cases, subsequently can be publicly known how defrayed each shareholder.

By Official Letter N°4948 dated April 6, 2010, the SVS estimated that the unanimity of the shares present and entitled to vote, may consider a simplified voting, i.e. it freehand or orally, as long as there is record of the votes abstaining or rejecting the matter subject to scrutiny or who voted in favor, in case its rejected.

ANNUAL REPORT, BALANCE SHEET, FINANCIAL STATEMENTS AND REPORT OF THE EXTERNAL AUDITORS FOR THE FISCAL YEAR ENDED ON DECEMBER 31, 2015

According to article 75 of LSA, the General Regulation No.30 of the SVS and Official Letter No. 444, dated March 19, 2008, of SVS, the Company has made available to the Shareholders on its corporate web site www.cencosud.com in the "Investor" and "Annual Report" sections, copy of its Balance Sheet and Annual Report for the fiscal year ended on December 31, 2015. These documents are also available in Company offices located at Kennedy 9001, 6th floor, Las Condes, Santiago.

Also, the audited financial statements of the Company for fiscal year ended on December 31, 2015, with its explanatory notes, and the report of the external auditors, are available to the shareholders on the corporate web site www.cencosud.cl in section "Investors".



DISTRIBUTION OF DIVIDENDS

At Ordinary Board of Directors of the Company, held on April 1st, 2016, it was agreed to propose at the Ordinary Shareholders Meeting a payment of a final dividend of CH\$10 per share in addition to the interim dividend of Ch\$16 per share paid in December, 2015, all paid against the profits of the 2015 fiscal year; and the distribution of an eventual dividend of Ch\$50 per share against retained earnings from previous fiscal years, hereafter referred as "Dividend".

It was also agreed at Ordinary Board of Directors, to propose to the Ordinary Shareholders Meeting to make the payment of the dividend starting May 17, 2016.

PRESENTING THE DIVIDEND POLICY OF THE COMPANY

At Ordinary Board of Directors, held on April 1st, 2016, it was agreed to propose at the Ordinary Shareholders Meeting the maintenance of the actual general policy for distribution of dividends, expected to be achieved in future fiscal years, which consist to pay and distribute at least 30% of the annual profits of the Company.

DETERMINATION OF THE REMUNERATION OF THE BOARD MEMBERS

It will be proposed to set, the remuneration for the members of the Board and the President of the Board for year 2016.

In the proposition of these remunerations, it has been taken into account the work, responsibilities, activities, and demarches Directors have, and also market conditions.

DETERMINATION OF REMUNERATION OF THE MEMBERS OF THE BOARD COMMITTEE AND DETERMINATION OF ITS BUDGET FOR OPERATING EXPENSES AND THEIR ADVISERS

In compliance of current regulation, the Company has designated a Board Committee, composed by three members.

According to Article 50 of LSA, the Ordinary Shareholders Meeting must approve the remuneration of the members of the board committee and a budget for operating.

APPOINTMENT OF EXTERNAL AUDITOR FOR YEAR 2016

According to legislation in force and the Bylaws of the Company, the Ordinary Shareholders Meeting must designate the independent external auditors for year 2016.



The variables presented to the Board Committee and the Board of Directors, considered key aspect for the election and proposition to be made at the Ordinary Shareholders Meeting, given the characteristics of Cencosud Group, are the following:

1. Size of External Audit Firms (hereinafter the "Companies" or the "Company"), in terms that are able to provide services to clients similar to Cencosud.
2. Presence of the Company in all countries where Cencosud operates, by business offices and not mere representations, and relative positioning of the Company in the same countries.
3. Experience in industries or businesses operated by Cencosud in each country and effective coordination of the audit with domestic and foreign subsidiaries.
4. Characteristics of the work teams that normally are assigned to clients similar to Cencosud, being especially considered their experience, training, market recognition and trajectory.
5. Benchmarks and references on level and quality of care in each country.
6. Understanding of Cencosud business risks and the support of strengthening of processes and controls involved.
7. Availability of professional staff of the External Audit Firm.
8. Relevant experience in internal control review and on the Sarbanes-Oxley Act of 2002 (hereinafter "SOX") applicable to businesses in which the Company operates.

With regard to fees that each Firm charges for its services, it was concluded that, in general, the Companies operate within a range of hourly rates similar.

The Board of Directors agreed to propose to the Ordinary Shareholders Meeting the following options, listed in order of priority, for the designation of the External Audit Firm for the year 2016:

1. PricewaterhouseCoopers;
2. Ernst & Young;
3. KPMG; y
4. Deloitte.

The Board of Directors agreed to propose to the Ordinary Shareholders Meeting, the renovation of services of PricewaterhouseCoopers, as it appears to be the best option, according to the following fundamentals:

1. Good level of services provided;
2. Knowledge of Cencosud and its subsidiaries and the industry;
3. In-depth reviews of regulated companies haven't emerged relevant aspects to consider;
4. The Company has adequate levels of independence and rotation of teams, within global standards of 5 years;



5. The review of the Public Company Accounting Oversight Board (PCAOB on PricewaterhouseCoopers, has yielded satisfactory results;
6. PricewaterhouseCoopers has participated actively in the process of questions and answers to SEC after presentation of F-1;
7. Taking into account the size of Cencosud, its business and countries in where we have presence, time and charge of work, the cost of change is significant.
8. Presentation of fourth F-20 to SEC, before April 30, 2017;
Integrated Audit with the Certification of Internal Control (Section 404 of SOX). The first Certification of Internal Control of auditors was referred to the Financial Statements of 2013; therefore, it is relevant for Cencosud to achieve in the medium term consolidation and stability in compliance of the internal control processes required by SOX, in that regard, we consider important to maintain the same External Audit Firm, considering its knowledge and experience;
9. The process of registering Cencosud on the Security and Exchange Commission and the New York Stock Exchange;
10. An explicit requirement of rotation of the External Audit Firm by SEC or the Chilean legislation does not exist.
11. Also it is considered important to Cencosud to maintain the same External Audit Firm for achieving, in the medium term, the consolidation and stability in the compliance of the internal control processes required by the Section 404 of the Sarbanes-Oxley Act of 2002.

Finally it's informed that for Cencosud, the aspects that contribute to a high standard Audit are, among others, the following:

1. A team with technical expertise, including a central partner specialist in financial industry, a retail specialist partner, the technical partner of the firm and the IFRS reviewer appointed by the technical group based in London. It also incorporates a specialized partner for each country, with the corresponding support of tax audit teams and integrated systems;
2. It presents a multidisciplinary approach to work;
3. There is a centralized coordination from Chile, with supervision over other countries and regular visits in the interim and final stages of the planning;
4. In terms of quality control, a controller partner has joined the Firm as independent quality;
5. Cencosud was included in a program of mandatory annual review (and not on a test basis) by the Central specialist IFRS Group, based in London; and
6. The work programs have been expanded in terms of including additional procedures to those provided by the Auditing Standards for each trimester. In addition there is the review of the financial statements from the international technical teams to IFRS and for review reports to the SEC (F-20, F-1, etc).



APPOINTMENT OF RATING AGENCIES FOR YEAR 2016

The board of Directors has agreed to propose to the Ordinary Shareholders Meeting, to keep as rating agencies of Cencosud for year 2016, the Firms “Feller Rate Clasificadora de Riesgo Limitada” and “Clasificadora de Riesgo Humphrerys Limitada”.

APPOINTMENT OF NEWSPAPERS FOR CORPORATE PUBLICATIONS

Will be propose to the Ordinary Shareholders Meeting, keep the newspaper "El Mercurio de Santiago", to perform corporate publications ordered by laws and statutory regulations applicable to Cencosud, in view of its proven trajectory and widespread circulation, along with the fact that has traditionally been the journal where the publications of the Company are made and thus the shareholders are accustomed to this medium.

THE PRESIDENT