

## **RATIONALE FOR THE APPOINTMENT OF EXTERNAL AUDITORS**

### **EMPRESAS COPEC S.A.**

In ordinary session of the Board of Directors held on March 25, 2021, the rationale for the options that the Board of Directors will propose to the Ordinary General Shareholders' Meeting, to be held on April 28, 2021, for the appointment of external auditors is as follows:

From the end of 2019 to the beginning of 2020, an in-depth bidding process on the external audit service was carried out, to which the main companies in this area were invited. The process included meetings with the Management, meetings with affiliates and associates, visits to their facilities, clarification sessions and final presentations by the auditing companies.

Once all these stages were completed, Empresas Copec S.A. Management examined the different auditing firms according to a previously defined methodology, comprising more than 70 dimensions, grouped in the categories of Technical Assessment, Economic Assessment, Penalties and Restrictions. The latter is related to the costs implicit in reassigning work that these same companies currently perform in areas such as Internal Audit, Risk Management and Tax Advisory. A score was also added for the preference expressed by the affiliated companies.

After conducting these assessments, it was concluded that audit firm PwC was the first option, followed by KPMG. Based upon the foregoing, in a meeting held on March 26, 2020, the Board of Directors agreed to propose to the Ordinary Shareholders' Meeting of the Company, to be held on April 22, 2020, that PwC may be engaged to conduct the audit of the Company's Consolidated Financial Statements for 2020 financial year, proposal that was approved by the Meeting.

Given the results of the recent and complete bidding process completed in 2020, and also considering the complexity of the audit work of a company such as this and the quality of the work performed by PwC in the past fiscal year, the Board of Directors, also following the recommendation of the Directors' Committee, proposes to the Ordinary General Shareholders' Meeting, scheduled for next April 28, in first place, the appointment of PwC as external auditors of the Company for the fiscal year 2021. As an alternative to the above, it is proposed, in second place, the firm KPMG, which has a good level of knowledge and experience in auditing companies of a similar nature to Empresas Copec.