

# **IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES**

**ISSUER'S BUSINESS NAME**

**LEGAL REPRESENTATIVE** \_\_\_\_\_

**LEGAL REPRESENTATIVE APPOINTED FOR SENDING  
THE IMPLEMENTATION REPORT**

\_\_\_\_\_

**REPORT PERIOD** \_\_\_\_\_

**REPORT DATE** \_\_\_\_\_

## INTRODUCTION

The implementation of the recommendations of the new Code of Best Corporate Practices of Colombia should be reported by issuers to the Financial Superintendence of Colombia (FSC) by this Implementation Report of Best Corporate Practices.

This report is aimed to inform the securities market about the implementation or not of the recommendations of the Code by each issuer. To this end, for each recommendation there are three boxes for YES, NO and N.A. (not apply), as well as a space to supplement its response as follows:

If the answer is yes, the issuer must briefly describe the way such implementation has been made. If not, the issuer must explain the reasons why it has not been adopted.

The N.A. response can only be provided by the issuer in cases that for legal reasons it is not possible to adopt the recommendation. In this case, the issuer must indicate precisely the law or regulation which prevents it.

Given that, some recommendations are made up of a number of specific aspects, is important to emphasize that these will only be understood as implemented if all of the aspects that compose them are met, unless the reason for not adopting some is of legal nature, which should be indicated.

Each recommendation has a box to indicate the date the issuer first implemented it. Additionally, there will be a box where the dates on which changes are made will be recorded.

Finally, when the issuer by its nature does not have the specific body to which the recommendation relates it shall be understood that it refers to the equivalent body within the entity.

## I. SHAREHOLDER RIGHTS AND EQUAL TREATMENT

### Measure No. 1: The principle of equal treatment.

**1.1. The corporation gives equal treatment** to all the shareholders who have similar shares and conditions, without granting access to privileged information to some shareholders above others.

1.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**1.2. The Board of Directors has approved concrete procedures** to determine the corporation's ways **to relate to the different types of shareholders**, regarding matters such as: access to information; answer to information requests; communication channels; interaction between the shareholders and the corporation, its Board of Directors, and the remaining managers.

1.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:
--

Implementation Date	
Modification Dates	

## Measure No. 2: Information about shares.

**2.1.** Through its web site, **the corporation informs the public**, in a clear, precise, and comprehensive way, **the different types of shares issued** by the corporation, the quantity issued per type, and the quantity of shares reserved, as well as the rights and obligations inherent to each type of share.

2.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

## Measure No. 3: No capital dilution.

**3.1.** In **transactions that may cause the dilution of the capital** of minority shareholders (i.e. a capital increase with a waiver of preemptive rights in the subscription of shares, a merger, a segregation (spinoffs), among others), **the corporation will explain them to the shareholders in detail** through a previous report of the Board of Directors. Such a report will contain the opinion, about the terms of the transaction, of a renowned external independent advisor appointed by the Board of Directors (*fairness opinion*). These reports will be made available to the shareholders before the Assembly, within the terms for the exercise of inspection rights.

3.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**Measure No. 4: Information and communication with shareholders.**

**4.1. The corporation has an institutional web site** in Spanish and English, with a link of Corporate Governance, or of relations with shareholders and investors, or equivalent. It will include financial and non-financial information in the terms proposed by recommendations 32.3 and 33.3. Furthermore, under no circumstance, it will include the corporation's confidential information, or that relative to company secrets, or any other whose disclosure could be used to the detriment of the corporation.

4.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**4.2. The corporation has permanent-access mechanisms targeted exclusively to shareholders**, such as a web link (only for them), or an office devoted to the relations with shareholders and investors, periodical information sessions, among others. These spaces should permit them state their opinions, concerns or suggestions on the corporation's development, or about their condition as shareholders.

4.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**4.3. The corporation organizes events to present quarterly results to its shareholders and to market analysts.** These may be in person or through distant-communication media (conference, video conference, etc.).

4.3 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**4.4. The corporation organizes or takes part in presentations, events, or fora on fixed-yield instruments, mostly addressed to debt-security investors and market analysts.** These events offer updates on the issuer's business indicators, the management of its liabilities, its financial policy, its ratings, its behavior concerning covenants, etc.

4.4 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**4.5. The corporation's bylaws provide that a shareholder or group of shareholders, representing at least five percent (5%) of the capital, may request the performance of Specialized Audits** on matters other than those pertaining to the audits carried out by the corporation's Statutory Auditor (*Revisor Fiscal*). Depending on its capital structure, the corporation may determine a proportion below five percent (5%).

4.5 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:
--

Implementation Date	
Modification Dates	

**4.6.** For the exercise of this right, **the corporation has a written procedure** with the precisions provided in recommendation 4.6.

4.6 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:
NO. Explain:
N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

### Measure No. 5: Behavior of managers before takeovers or transactions to change the corporation's control.

**5.1.** The members of the Board of Directors and of the senior management have agreed expressly, in their letters of acceptance or contracts, that as soon as they learn of a take-over bid or other relevant transactions, such as mergers or segregation (spinoffs), there will be periods during which they will not negotiate, directly or indirectly through a third party, any shares of the corporation.

5.1 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:
------------------------



NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

### Measure No. 6: Listing of corporations clustered in conglomerates.

**6.1.** Without prejudice to the independence of every single company of the conglomerate and to the responsibilities of its management bodies, the conglomerate has an **organizational structure** that defines for the three (3) governance levels (Shareholders Assembly, Board of Directors, and senior management), the key bodies and individual positions and the relations between them. Such a structure is public, evident, and transparent; it determines clear responsibility and communication channels; it facilitates the conglomerate's strategic direction, and its effective supervision, control, and management.

6.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**6.2.** Under the previous provision, **the holding company and its most important subordinates have defined a framework for institutional relations** through the subscription of an agreement. Such an agreement is public, has been approved by the Board of Directors of each of the companies, and it regulates the topics indicated in recommendation 6.2.

6.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**Measure No. 7: Conflict resolution.**

**7.1.** Except for the disputes between shareholders, or between shareholders and the corporation or its Board of Directors that by explicit legal mandate must be settled necessarily before the ordinary jurisdiction, **the corporation's bylaws include conflict-resolution mechanisms such as direct agreements, amiable composition, settlement, or arbitration.**

7.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates	
--------------------	--

## II. GENERAL ASSEMBLY OF SHAREHOLDERS

### Measure No. 8: Functions and competence.

**8.1.** Besides other functions assigned to the **General Assembly of Shareholders** by the legal framework, **the bylaws explicitly confer the functions of the General Assembly of Shareholders related in recommendation 8.1**, and emphasize their exclusive and non-delegable nature.

8.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

### Measure No. 9: Regulation of the General Assembly of Shareholders.

**9.1.** The corporation has a regulation for the **General Assembly of Shareholders**, which set up norms for any tasks within its competence. They range from its meeting calls, to the preparation of the information intended for shareholders, their attendance, the development and exercise of their political rights, so that they are fully aware about the regime that governs the Assembly's sessions.

9.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**Measure No. 10: Meeting Call for the Assembly.**

**10.1.** To ease the shareholders' exercise of their information rights, **the bylaws provide that the meeting call for the ordinary General Assembly of Shareholders must take place no less than thirty (30) common days in advance; in the case of the extraordinary meetings, the call will take place with at least fifteen (15) common days of anticipation.** This will be without prejudice to the legal terms set forth for company restructuring (e.g. mergers, segregation (spinoffs), or transformations).

10.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:
NO. Explain:
N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**10.2.** Besides the traditional and obligatory media set forth within the legal framework, **the corporation ensures the widest communication and publicity for the meeting call.** This will be done by using e-media, such as the corporate web site, individual alerting e-mails, and even the social networks if deemed appropriate.

10.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

  

Implementation Date	
Modification Dates	

**10.3.** For increased transparency during the decision-making process of the General Assembly, besides its Agenda, stating point by point the subjects for discussion, **the corporation ensures that simultaneously with the meeting call, or at least fifteen (15) common days before the meeting, the shareholders receive the Agreement Proposals** that the Board of Directors will submit to the General Assembly of Shareholders concerning each of those points.

10.3 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

  

Implementation Date	
Modification Dates	

**10.4. The General Assembly of Shareholders will analyze and approve the corporation's segregation (spinoffs) (*escisión impropia*)** only when this subject had been included explicitly in the respective meeting call.

10.4 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**10.5. The Agenda that the Board of Directors is proposing features the subjects for discussion accurately.** It does not permit that any significant issues become obscured under imprecise, nonspecific, overly general, or very wide expressions such as "*others*" or "*proposals and miscellaneous*."

10.5 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**10.6. In the case of amendments to the bylaws, each article or group of articles substantially different will be voted separately.** In any case, an article will be voted separately if any shareholder or group of shareholders, representing at least five percent (5%) of the corporate capital, request it during the Assembly. The shareholders will be informed of this right beforehand.

10.6 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**10.7. Without prejudice to the article 182 of the Code of Commerce, to strengthen and ensure the shareholders' rights of inspection and information before the Assembly, the bylaws recognize their right to propose the inclusion of one or more points for discussion within the Agenda of the General Assembly of Shareholders, regardless of the size of their stock participation.** This will take place within reasonable period of time and provided that their request includes a justification. The shareholders will make such a request within five (5) common days following the publication of the meeting call.

10.7 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:



N.A. Precise the law or regulation that prevents the adoption of the recommendation:
--

Implementation Date	
Modification Dates	

**10.8.** If the Board of Director refuses the request, **it must reply in writing** to those requests supported by at least five percent (5%) of the corporate capital, or a lower proportion as provided by the company based on its degree of ownership concentration. In such a reply, it will **explain the reasons for its decision**, and inform the shareholders of their right to make proposals during the Assembly, under the provisions of the abovementioned article 182 of the Code of Commerce.

10.8 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:
NO. Explain:
N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**10.9.** If the Board of Directors accepts the request, once expired the shareholders' term to propose subjects –as set forth in the preceding recommendations, **a complement to the meeting call for the General Assembly of Shareholders will be published** at least fifteen (15) common days before the meeting.

10.9 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:
------------------------

NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	
Implementation Date	
Modification Dates	

**10.10.** Within the same term provided in the paragraph 10.7, **the shareholders may submit new and well-grounded Agreement Proposals** to matters previously included on the Agenda. For these requests, the Board of Directors will act according to the provisions of the paragraphs 10.8 and 10.9 above.

10.10 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	
Implementation Date	
Modification Dates	

**10.11., The corporation will use e-media, and particularly the institutional web site available only to shareholders,** to convey to them the documents and information related to each of the points of the Agenda for the meeting.

10.11 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**10.12. The corporation bylaws recognize the shareholders' right to request the information or clarification that they deem appropriate with enough anticipation,** either through traditional channels and/or, if suitable, through new technologies, or to express in writing their questions on the subjects of the Agenda, the documentation received, or the public information issued by the corporation. Depending on the term of the corporation to call for a General Assembly of Shareholders, it will determine the period within which the shareholders will exercise this right.

10.12 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**10.13. The corporation foresees that the requested information may be denied** if, based on internal procedures, it may be considered: i) non-reasonable; ii) irrelevant to learn about the corporation's progress or interests; iii) confidential, which will include reserved information within the securities market; business secrets; and transactions in progress, whose success for the company will be contingent upon their secrecy; iv) any other information that if disclosed will compromise imminently and seriously the competitiveness of the company.

10.13 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**10.14. When an answer provided to a shareholder may grant him some advantage, the corporation guarantees the access to that answer to the other shareholders**, on a concomitant basis, according to the mechanisms set forth for that purpose, and under the same conditions.

10.14 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**Measure No. 11: Norms on representation.**

**11.1.** Without prejudice to the limits set forth in the article 185 of the Code of Commerce, the External Circular 24 of 2010, and the regulations which may amend, supplement, or substitute them, **the corporation does not limit the shareholder's right to be represented at the General Assembly of Shareholders**, including the delegation of his vote to any other person, whether it is a shareholder or not.

11.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**11.2. The corporation minimizes the use of blank-voting representatives or those without voting instructions** by promoting actively the use of a standard letter of representation that the company conveys to the shareholders or publishes on its web site. The model features the points of the Agenda and the respective Agreement Proposals, determined under the procedures previously set forth, which will be submitted to the shareholders for consideration. The purpose is that shareholders, as they deem appropriate, may instruct their representatives about their voting on each case.

11.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**Measure No. 12: Attendance of other persons besides the shareholders.**

**12.1.** To revitalize the General Assembly's role in defining the corporate will, and to turn it into a much more participatory body, its regulation require that **the members of the Board of Directors and particularly the presidents of the Board committees and the President of the corporation attend the Assembly** to address the shareholders' concerns.

12.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

### III. BOARD OF DIRECTORS

#### Measure No. 13: Functions of the Board of Directors.

**13.1.** The bylaws specify explicitly the **functions that will not be delegated to the senior management**, among them the ones provided in recommendation 13.1.

13.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**13.2.** Without prejudice to the autonomy of the governance bodies of the subordinated companies, **when the corporation acts as the holding company of a conglomerate**, these functions of the Board of Directors keep a group perspective and are **implemented through general policies, guidelines, or information requests that respect the balance between the interests of the holding company, those of the subordinates, and those of the conglomerate as a whole.**

13.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

--

Implementation Date	
Modification Dates	

**Measure No. 14: Regulation of the Board of Directors.**

**14.1. The Board of Directors has approved internal regulation** for its organization, operation, the rights and duties of its members, its President, and its Secretary. This regulation is informed to the shareholders, and they are binding upon the members of the Board.

14.1 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:
NO. Explain:
N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**Measure No. 15: Size of the Board of Directors.**

**15.1.** In its bylaws, the corporation has decided not to have alternate members in its Board of Directors.

15.1 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:
NO. Explain:



N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

### Measure No. 16: Appointment of the Board of Directors.

**16.1.** Departing from the premise that, once elected all the members of the Board of Directors act in the corporation's best interest, **the corporation**, enforcing the highest transparency, **identifies the origin of the different members of the Board** according to the scheme provided in recommendation 16.1.

16.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:
NO. Explain:
N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**16.2. The corporation has procedures**, implemented through the Nomination and Compensation Committee, or some other with similar functions, which enable the Board of Directors, based on its own dynamics and the findings of the annual assessments, reach the objectives indicated in recommendation 16.2.

16.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**16.3. The Board of Directors informs the shareholders about the professional profiles deemed necessary** so that the different stakeholders (mainly any controlling, significant, or institutional shareholders, any groups of shareholders or families, if there are any, and the Board itself) may identify the most appropriate candidates.

16.3 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**16.4. The corporation** considers that the mere review of the résumés by the shareholders is not enough to decide on the candidates' fitness. Consequently, it **has**

**internal procedures to assess any legal incompatibilities and inabilities, as well as a candidate's appropriateness to the needs of the Board of Directors.** These procedures evaluate a set of criteria that the candidates' functional and personal profiles must meet, and verify their compliance with some objective requirements to become a member of the Board of Directors, and some additional requisites to become an independent member.

16.4 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**16.5.** Besides the **independence** requirements set forth by the Law 964 of 2005, the corporation **has voluntarily adopted a more rigorous definition** for this concept than that of the said law. Such definition has been accepted as a reference framework through the regulation of the Board of Directors; it includes, among other requirements to be assessed, that of the relationships or links of any kind of a candidate to become an independent member with any controlling or significant shareholders or their related parties, either domestically or abroad. Furthermore, it requires a double statement of independence: (i) that of the candidate before the corporation, its shareholders, and senior-management members, expressed in his letter of acceptance, and (ii) that of the Board of Directors with respect to the candidate's independence.

16.5 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**16.6. Based on its internal regulations, the corporation considers that the Board of Directors, through its President and with the support of the Nomination and Compensation Committee, or that which fulfill its duties, is the most appropriate body to centralize and coordinate the process to appoint the Board before the General Assembly.** In this way, the shareholders that wish to become Board members based on their stock participation, may learn about the Board's needs, express their aspirations, and negotiate any stock-based balances and distribution among the different types of members. Moreover, they may present their candidates and agree that the Nomination and Compensation Committee assess their fitness before the vote during the General Assembly of Shareholders.

16.6 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:
NO. Explain:
N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**16.7. Regulation of the Board of Directors foresees that the assessment of the candidates' suitability must take place before the General Assembly of Shareholders.** Consequently, the shareholders will have, with enough anticipation, sufficient information on the proposed candidates (personal qualities, suitability, background, experience, integrity, etc.) to evaluate them well.

16.7 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**Measure No. 17: Functional structure of the Board of Directors.**

**17.1.** Regulation of the Board of Directors provides that **the independent and proprietary members are always a majority with respect to the executive members** whose number, if they are included in the Board of Directors, will be the minimum necessary to meet the information and coordination requirements that exist between the Board of Directors and the corporation's senior management.

17.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates	
--------------------	--

**17.2.** Beyond the minimum rate of twenty-five percent (25%) of **independent members** set forth by the Law 964 of 2005, **the corporation analyzes and adjusts upwardly their number on a voluntary basis.** Not being a fixed rule, this occurs in a way that the proportion of proprietary and independent members within the Board of Directors is comparable with the stock participation of the controlling and significant shareholders, and that of the floating capital, where the minority shareholders are.

17.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**Measure No. 18: Organization of the Board of Directors.**

**18.1. The bylaws specify the functions of the President of the Board of Directors,** and his leading responsibilities are the ones provided in recommendation 18.1.

18.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:
--

Implementation Date	
Modification Dates	

**18.2.** The corporation's internal regulations foresee the possibility that the **President of the Board of Directors may have a different treatment than that of the other members**, both in his obligations and his remuneration, because of the scope of his specific functions and his increased time commitment.

18.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**18.3.** The bylaws specify the norms for the appointment of the **Secretary of the Board of Directors**, among which are those indicated in recommendation 18.3.

18.3 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**18.4. Regulation of the Board of Directors set forth the Secretary's functions,** among them are those indicated in recommendation 18.4.

18.4 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:
NO. Explain:
N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**18.5. The Board of Directors has created a Nomination and Compensation Committee.**

18.5 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:
NO. Explain:



N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**18.6. The Board of Directors has created a Risk Committee.**

18.6 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**18.7. The Board of Directors has created a Corporate Governance Committee.**

18.7 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:	
NO. Explain:	

N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**18.8.** If the corporation considers that it is unnecessary to create all these committees, their functions are distributed among the committees that do exist, or they are performed by the Board of Directors at large.

18.8 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:
NO. Explain:
N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**18.9. Each of the committees of the Board of Directors has its internal regulation** for its creation, its functions, the subjects in which the committee must work, and its operation. They pay special attention to the channels of communication between the committees and the Board of Directors; and in the case of conglomerates, to the tools for the interaction and coordination between the committees of the Board of Directors of the holding company and those of the subordinate companies, if they exist.

18.9 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:
------------------------

NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**18.10. The committees of the Board of Directors are comprised exclusively by independent or proprietary members exclusively;** they have a minimum of three (3) members, and are chaired by an independent member. In the case of the Nomination and Compensation Committee, the independent members are always a majority.

18.10 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:
NO. Explain:
N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**18.11. The committees of the Board of Directors may have the support, specific or permanent, of senior management members,** with experience in the matters of the committee's competence, and/or **that of external experts.**

18.11 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**18.12. In the creation of its committees, the Board of Directors takes into account the profiles, knowledge, and professional experience** of their members, with regard to the committee's subject matter.

18.12 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**18.13. The committees draft minutes of their meetings** and send a copy of them to all the members of the corporation's Board of Directors. If the committees have delegated functions that enable them to take decisions, the minutes will comply with the requirements of the articles 189 and 431 of the Code of Commerce.

18.13 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**18.14.** Except if the applicable legal or regulatory framework demands their creation, in the case of conglomerates, the internal regulations foresee that **the Boards of Directors of the subordinate companies may decide not to create specific committees** to deal with certain matters, and those matters may be assumed by the committees of the Board of Directors of the holding company. However, this will not imply a transfer of the responsibilities of the Boards of Directors of the subordinate companies to the holding company.

18.14 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**18.15. The main duty of the Audit Committee is to assist the Board of Directors in its supervisory functions** through the assessment of the accounting procedures, the interaction with the Statutory Auditor and, in general, the monitoring of the corporation's Control Architecture, including its risk management system.

18.15 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**18.16. The members of the Audit Committee are knowledgeable** in accounting, finance, and other related matters. This enables them to treat the committee's subject matters with accuracy, and with an adequate understanding of their scope and complexity.

18.16 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**18.17.** Upon request of the President of the Assembly, the **President of the Audit Committee informs the General Assembly of Shareholders** of concrete aspects of the committee's work, for instance, the analysis of the scope and contents of the Report of the Statutory Auditor.

18.17 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**18.18.** The committee's internal regulation assigns it the functions indicated in recommendation 18.18.

18.18 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

--

Implementation Date	
Modification Dates	

**18.19. The main goal of the Nomination and Compensation Committee is to support the Board of Directors in its advising and decision-making duties relative to the nomination and compensation of Board members and senior managers. In addition, it must monitor regularly the observance of Corporate Governance norms, recommendations, and principles (in those cases when this function is not assigned explicitly to another corporate committee).**

18.19 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**18.20. Some members of the Nomination and Compensation Committee are knowledgeable in strategy and human resources (selection, recruitment, hiring, training, staff management), compensation policies and related matters, so that they understand their scope and complexity within the corporation.**

18.20 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:



NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	
Implementation Date	
Modification Dates	

**18.21.** Upon request of the President of the Assembly, the President of the Nomination and Compensation Committee may inform the General Assembly of Shareholders on the concrete tasks that the committee has performed, such as monitoring the compensation policies for the Board of Directors and senior managers.

18.21 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	
Implementation Date	
Modification Dates	

**18.22.** The internal regulation of the Nomination and Compensation Committee assigns it the functions provided in recommendation 18.22.

18.22 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**18.23. The main objective of the Risk Committee is to assist the Board of Directors in its responsibility to oversee the management of risks.**

18.23 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**18.24. Upon request of the President of the Assembly, the President of the Risk Committee may inform the General Assembly of Shareholders on the concrete tasks that the committee has performed.**

18.24 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**18.25.** Given any necessary adjustments to distinguish between corporations of the financial sector and those of the economy's real sector, and without prejudice to the functions prescribed to this committee by the norms in force, **the Risk Committee's internal regulation assigns it the functions provided in recommendation 18.25.**

18.25 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**18.26.** The main objective of the Corporate Governance Committee is to **assist the Board of Directors in its functions to propose and supervise the corporation's governance measures.**

18.26 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**18.27.** The internal regulation of the Corporate Governance Committee assigns it the functions provided in recommendation 18.27.

18.27 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**Measure No. 19: Operation of the Board of Directors.**

**19.1 The President of the Board of Directors** with the assistance of the Secretary and of the President of the corporation **prepares a work plan for the Board**, for the period under assessment. This tool helps to determine a reasonable number of ordinary meetings per year, and their estimated length.

19.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**19.2. The Board of Directors of the corporation holds between eight (8) and twelve (12) ordinary meetings per year;** except for the entities subject to surveillance, which must hold at least one (1) meeting per month because of their regime.

19.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**19.3. One (1) or two (2) of the Board's meetings per year make a distinctive emphasis on the definition and monitoring of the corporation's strategy.**

19.3 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:
NO. Explain:
N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**19.4. The Board of Directors approves a concrete calendar for its ordinary sessions.** However, it may also meet, on an extraordinary basis, as many times as necessary.

19.4 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:
NO. Explain:
N.A. Precise the law or regulation that prevents the adoption of the recommendation:

--

Implementation Date	
Modification Dates	

**19.5. At least five (5) common days before the meeting, the Board members receive, simultaneously with the meeting call, the documents** or information related to each of the points on the Agenda. This ensures their active participation and their well-thought decision-making.

19.5 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**19.6. The President of the Board of Directors, with the support of the Board's Secretary, assumes the ultimate responsibility for the timeliness and usefulness of the information delivered to the members.** Consequently, in the set of documents provided (the *dashboard* of the Board of Directors) the quality will be most important than the quantity.

19.6 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:
--

Implementation Date	
Modification Dates	

**19.7. The ultimate responsibility to prepare the Agenda for the meetings of the Board of Directors corresponds to the Board's President** and not to the President of the corporation. The structure of the Agenda follows given parameters that ensure a logical order for the presentation of the subjects and for the debates.

19.7 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**19.8. On the Annual Corporate Governance Report and on the institutional web site, the company publishes the attendance of the Board members to the meetings of the Board of Directors and to its committees.**

19.8 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:



NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	
Implementation Date	
Modification Dates	

**19.9. Every year, the Board of Directors assesses the effectiveness of its work as a collective body, that of its committees, and that of its members individually considered, including peer evaluation.** Furthermore, it evaluates the reasonableness of its internal regulations, and the dedication and performance of its members, proposing changes in its organization and operation deemed pertinent. In the case of conglomerates, the Board of Directors of the holding company demands that the assessment process takes place also within the Boards of Directors of the subordinate companies.

19.8 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	
Implementation Date	
Modification Dates	

**19.10. The Board of Directors alternates internal evaluation techniques with external evaluation** performed by independent advisors.

19.9 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**Measure No. 20: Duties and rights of the members of the Board of Directors.**

**20.1. Regulation of the Board of Directors complements the dispositions of the company's regulatory framework regarding the duties and rights of the Board members.**

20.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**20.2. Regulation of the Board of Directors develops** the company's understanding of the **duties of the Board members indicated in recommendation 20.2.**

20.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**20.3. Regulation of the Board of Directors develops** the contents of the **rights of the Board members indicated in recommendation 20.3.**

20.3 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**Measure No. 21: Conflicts of interest.**

**21.1.** In its internal regulations, **the corporation has** a clear and formal **policy and procedure for the identification, management, and resolution of conflicts of interest, whether direct or indirect through related parties**, that may affect the members of the Board of Directors and other managers.

21.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**21.2.** The procedure for the management of conflicts of interest makes a distinction about their nature as occasional or permanent. If they are occasional, the applicable procedure indicates the rules and steps to be followed, which should be relatively easy to implement and hard to avoid for those affected. In the case of permanent conflicts of interest, the procedure stipulates that if the situation affects the corporation's overall operations, it must be regarded as a cause for the obligatory resignation of those affected, for it makes it impossible for them to hold the position.

21.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:
--

Implementation Date	
Modification Dates	

**21.3. The members of the Board of Directors, legal representatives, senior managers, and other administrators** of the corporation **inform the Board periodically about any relationships**, whether direct or indirect, that they keep between them, or with other entities or structures of the conglomerate to which the issuer belongs, or with the issuer, or with providers, or clients, or any other stakeholders, out of which given conflicts of interest might arise, or that might influence their opinion or vote, thereby building up the managers' *"map of related parties."*

21.3 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**21.4. Any relevant conflict-of-interest situations**, understood as those that would force the affected to refrain from attending a meeting and/or voting, involving the members of the Board of Directors and remaining managers, **are featured in the public information** that the corporation posts every year on its web site.

21.4 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	
Implementation Date	
Modification Dates	

**21.5.** For these purposes, **the definition of Related Party** that the corporation applies is **consistent with the International Accounting Standard No. 24 (IAS 24)**.

21.5 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	
Implementation Date	
Modification Dates	

### Measure No. 22: Related Party Transactions.

**22.1.** The corporation has a policy that specifies the concrete procedures for the assessment, approval, and disclosure of related-party transactions, including any pending balances, and the relationships among those transactions.

22.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**22.2.** The corporation's policy on related-party transactions addresses the matters provided in recommendation 22.2.

22.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**22.3.** The policy foresees that the Board of Directors does not need to authorize explicitly the related-party transactions if they are recurrent and pertain to the ordinary course of business, and performed by virtue of contracts of adhesion or master agreements, whose conditions are fully standardized, are applied massively, and carried out at market prices that have been set, on a general basis, by those who provide the given good or service, and the individual amount of which is not relevant to the corporation.

22.3 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

### Measure No. 23: Compensation of members of the Board of Directors.

**23.1.** The corporation has a compensation policy for the Board of Directors approved by the General Assembly of Shareholders that is reviewed every year. It identifies all the compensation elements that may be actually met. These elements may be fixed or variable. They may include fixed honoraria for being a Board member, honoraria for attending the Board sessions and/or its committee meetings, and other allowances of any type earned throughout the appointment, for whatever cause, either in cash or in kind. They also include any obligations assumed by the corporation in terms of pension or life-insurance payments, or other items, awarded to senior or newer members, as well as any liability-insurance coverage (Directors and Officers – D&O policies) that the company acquires for its Board members.

23.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:



NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**23.2. If the corporation adopts any variable compensation systems** related to the company's progress in the medium and long terms, **the compensation policy sets limits to the amounts** that may be distributed to the Board of Directors. If the variable component is related to the corporation's profits or other management indicators by the closing of the term assessed, whatever qualifications [*salvedades*] made by the Statutory Auditor in his report, which could lessen the term's results, will be considered.

23.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**23.3. The proprietary and independent members of the Board of Directors are explicitly excluded from compensation schemes that include stock options or from a variable compensation linked to absolute changes in share prices.**

23.3 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**23.4. Within the compensation policy, for every term assessed, the General Assembly of Shareholders approves a maximum cost for the Board of Directors, including all the compensation elements authorized.**

23.4 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**23.5. The shareholders know the complete actual cost of the Board of Directors during the term assessed, including all the compensation elements awarded to the Board members plus any spending reimbursements.** Furthermore, it is published on the corporation's web site, itemized and detailed as the Board approves.

23.5 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

#### Measure No. 24: The President of the corporation and the senior management.

**24.1. The corporation's governance model creates an effective separation between the corporation's administration or governance** (represented by the Board of Directors) **and the ordinary course of business** (in the hands of the senior management and led by the President of the corporation).

24.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

--

Implementation Date	
Modification Dates	

**24.2. In general, the policy of the Board of Directors consists of delegating the ordinary course of business** to the senior management team, thereby focusing its activities on the overall strategy, supervisory, governance, and control functions.

24.2 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**24.3. As a general rule, the President of the corporation identifies, assesses, and appoints the senior management members directly, for they are his immediate staff. Otherwise, the corporation may have the Board of Directors appoint the senior management members upon the proposal of the President of the company.** However, no matter who makes the final appointment, the Board's Nomination and Compensation Committee will get to know and assess the candidates to hold key executive positions within the company, and it will issue its opinion.

24.3 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:

NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**24.4. The corporation has a clear policy to delegate functions** approved by the Board of Directors and/or a power scheme that permits to assess the degree of empowerment of the President of the corporation, and that of the remaining members of the senior management.

24.4 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**24.5. The Board of Directors**, through the Nomination and Compensation Committee, or whoever fulfills its functions, **leads annually the performance assessment of the President of the corporation**, and learns about the assessments of the other senior management members.

24.5 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**24.6. The corporation has a compensation policy for the President of the company, and for the remaining senior management members** approved by the Board of Directors. It identifies all the compensation elements that may be actually met, bound to the attainment of long-term objectives and to risk levels.

24.6 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**24.7.** If the compensation of the President of the corporation **includes fixed and variable components, its technical design** and method of calculation **impede that the variable component may surpass the maximum limit set forth by the Board of Directors.**

24.7 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

## IV. CONTROL ARCHITECTURE

**Measure No. 25: Environment of control.**

**25.1. The Board of Directors is ultimately responsible for the existence of a sound environment of control** within the corporation, adapted to its nature, size, complexity, and risks, in a way that it meets the provisions indicated in recommendation 25.1.

25.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**25.2. In the case of conglomerates,** the Board of Directors of the holding company will **foster a comprehensive** and formal **Control Architecture** covering all the subordinate companies. It will establish responsibilities for the related policies and guidelines throughout the conglomerate and define clear reporting lines. All this will promote an all-inclusive perspective of the conglomerate's risks as well as the adoption of pertinent control mechanisms.

25.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:



N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**Measure No. 26: Risk management.**

**26.1.** The corporation's **risk management objectives** are the ones indicated in recommendation 26.1.

26.1 Measure Implementation                      YES ☐                      NO ☐                      N.A. ☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**26.2.** The corporation has a **map of risks**, understood as a tool to identify and monitor the financial and non-financial risks to which it is exposed.

26.2 Measure Implementation                      YES ☐                      NO ☐                      N.A. ☐

YES. Briefly indicate:

NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	

Implementation Date	
Modification Dates	

**26.3. The Board of Directors is responsible for defining a risk management policy,** and for setting maximum limits of exposure for each risk identified.

26.3 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**26.4. The Board of Directors knows about, and supervises periodically,** the corporation's actual exposure to the maximum risk limits determined, and it proposes corrective and follow-up actions in case of deviations.

26.4 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	
Implementation Date	
Modification Dates	

**26.5.** Within the risk management policy framework, **the senior management performs the processes and is responsible for managing the risks**; therefore, it must identify, assess, estimate, control, monitor, and report them. In doing so, it defines methodologies and ensures that the management of risks is coherent with the risk strategies and policies set forth, and with the top limits approved.

26.5 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	
Implementation Date	
Modification Dates	

**26.6.** The corporation has **la policy to delegate risks** approved by the Board of Directors. It establishes the limits of risk that may be managed directly at each of its levels.

26.6 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**26.7. Within conglomerates, there must be a comprehensive management of risks,** so that there is cohesion among the belonging companies and control of them.

26.7 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**26.8.** If the corporation has a complex and diverse structure for business and transactions, **there is a risk management post (CRO *Chief Risk Officer*).** In the case

of companies integrated in control configurations and/or business groups, the incumbent has faculties over the conglomerate at large.

26.8 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

### Measure No. 27: Control activities.

**27.1. The Board of Directors is responsible for ensuring that there is an adequate internal control system**, adjusted to the corporation and its complexity, and coherent with the risk management in force.

27.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates	
--------------------	--

**27.2. The Board of Directors is responsible for overseeing the effectiveness and suitability of the internal control system.** This could be delegated to the Audit Committee, with no lessening of the Board's supervisory responsibilities.

27.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**27.3. The corporation applies and demands the self-control principle.** It is understood as the *ability of the individuals who participate in the various processes to consider control as an inherent part of their responsibilities, fields of activity, and decision-making.*

27.3 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**Measure No. 28: Information and communication.**

**28.1. Within the corporation, there is top-down and horizontal communication about the culture, philosophy, and policies concerning risk,** and about the limits of exposure approved, so that the staff at large regards the risks and control activities within their functions.

28.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**28.2. Within the corporation, there is a bottom-up mechanism to report information** (toward the Board of Directors and the senior management) reliable, clear, and complete, which provides support and permits an informed decision-making, risk management, and control.

28.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**28.3. The corporation's mechanisms for communication and report of information:**

- i. Allow the senior management to engage the corporation as a whole, highlighting its responsibility in risk management and the setup of controls.
- ii. Enable the corporation's personnel to understand their role in risk management and the identification of controls, as well as their individual contribution in connection with the work of others.

28.3 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:
NO. Explain:
N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**28.4. There are internal anonymous-tip systems or “whistle blowers”** through which the employees may inform anonymously any illegal or unethical behaviors, or those that may contravene the corporation's risk management and control culture. The Board of Directors receives a report on these claims.



28.4 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**Measure No. 29: Monitoring of the Control Architecture.**

**29.1. The Board of Directors, through the Audit Committee, is responsible for overseeing the effectiveness of the different components of the corporation's Control Architecture.**

29.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**29.2.** The corporation's **monitoring activities, aimed at confirming the effectiveness of the Control Architecture**, involve, in a special way, the **cooperation of the** internal audit functions **and of the Statutory Auditor** in matters within their competence, and particularly those regarding the company's financial information.

29.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**29.3.** The corporation's **internal audit function has bylaws** approved by the Audit Committee. They describe explicitly the scope of its duties, and should comprise the topics indicated in recommendation 29.3.

29.3 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**29.4. The head director of the internal audit remains professionally independent** of the senior management of the corporation or conglomerate that has hired him, by being functionally dependent from the Audit Committee exclusively.

29.4 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**29.5. The corporation's Board of Directors is responsible for appointing and dismissing the head of the internal audit** upon the proposal of the Audit Committee. The market is informed of his dismissal or resignation.

29.5 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:
--

Implementation Date	
Modification Dates	

**29.6. The Statutory Auditor of the corporation or conglomerate is clearly independent of them.** The respective audit report makes a statement about this capacity.

29.6 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**29.7. If the corporation is the holding company of a conglomerate, the Statutory Auditor is the same for all the companies, including those that are offshore.**

29.7 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:
--

Implementation Date	
Modification Dates	

**29.8. The corporation has a policy to appoint the Statutory Auditor** approved by the Board of Directors and communicated to the shareholders. It contains the provisions indicated in recommendation 29.8.

29.8 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:
NO. Explain:
N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**29.9. The corporation sets forth a maximum contract term with the auditing firm that ranges between five (5) and ten (10) years**, in order to avoid excessive proximity with such a firm and/or its teams, and to safeguard its independence. Regarding Statutory Auditor-natural person without contract with any auditing firm, the maximum contract term is 5 years.

29.9 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:
------------------------

NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	
Implementation Date	
Modification Dates	

**29.10.** Within the maximum contract term, halfway through it, the corporation **promotes the turnover of the auditing-firm associates assigned to it**, and that of their work teams. At the end of such term, the turnover of the firm itself must obligatorily take place.

29.10 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	
Implementation Date	
Modification Dates	

**29.11.** The corporation extends the existing prohibition to avoid **contracting with the Statutory Auditor any professional services other than the auditing of its accounts** –and related functions sanctioned by the current regulations, to individuals or entities related to the auditing firm. This includes companies within the group of the auditing firm, and companies of which a large number of shareholders and/or administrators coincide with those of the auditing firm.

29.11 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**29.12.** In its public information, **the corporation discloses the total amount of the contract with the Statutory Auditor**, as well as the proportion that these honoraria have for the auditing firm in relation to the total income associated to the firm's financial auditing activity.

29.12 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**V. FINANCIAL AND NON-FINANCIAL TRANSPARENCY AND INFORMATION****Measure No. 30: Information disclosure policy.**

**30.1. The Board of Directors has approved an information disclosure policy** that features, at least the information provided in recommendation 30.1.

30.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**30.2. In the case of conglomerates, the disclosure of information to third parties is comprehensive and transversal in regard to the group of companies,** so that those external parties may have a well-grounded idea of the conglomerate's facts, organization, complexity, activity, size, and governance model.

30.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:



--

Implementation Date	
Modification Dates	

**Measure No. 31: Financial statements.**

**31.1. If there are qualifications [salvedades] in the Statutory Auditor's report, these, and any possible corporate actions to solve the situation, will be explained to the shareholders gathered at the General Assembly, by the president of the Audit Committee.**

31.1 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**31.2. If the Board of Directors considers that it must keep its own opinion vis-à-vis the Statutory Auditor's qualifications [salvedades] or emphasis paragraphs, these are explained and justified appropriately to the General Assembly through a written report that specifies the contents and scope of the discrepancy.**

31.2 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:
NO. Explain:
N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**31.3 The public financial information contains a detailed description of transactions with or between related parties.** These include transactions between conglomerate companies that the corporation deems material through objective parameters such as their volume, percentage on assets, sales or other indicators. **There is also a reference to any offshore transactions.**

31.3 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:
NO. Explain:
N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**Measure No. 32: Information to the markets.**

**32.1.** In the context of the information disclosure policy, the Board of Directors (or the Audit Committee), **adopts the necessary measures to ensure that the financial and capital markets receive all the financial and non-financial information on the corporation** required by the regulations in force, plus any other that it considers relevant for investors and clients.

32.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates

**32.2.** The corporation's web site is *user-friendly*. The visitor finds any Corporate Governance information easily.

32.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date

Modification Dates	
--------------------	--

**32.3.** In this vein, the corporation's web site includes, at least, the links indicated in recommendation 32.3.

32.3 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

**32.4.** In general, **the supporting documents** through which the corporation conveys information to the markets are files **easy to share, download, and print**.

32.4 Measure Implementation      YES ☐      NO ☐      N.A. ☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
---------------------	--

Modification Dates	
--------------------	--

**32.5. If the corporation is sizable and complex**, it publishes every year on its web site, **an explanatory report on the organization, methods, and procedures of its Control Architecture**. It seeks to provide accurate and reliable financial and non-financial information, and to protect the company's assets as well as the safety and effectiveness of its transactions. A risk management report complements the above information.

32.5 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	
Modification Dates	

### Measure No. 33: Annual Corporate Governance Report.

**33.1. The company prepares an Annual Corporate Governance Report.** The Board of Directors is responsible for its contents, after their review and a favorable concept by the Audit Committee. This report accompanies the remaining documents of the closing of the accounting period.

33.1 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:	
Implementation Date	
Modification Dates	

**33.2.** The company's **Annual Corporate Governance Report** is not a mere **transcription of the governance norms** included in the bylaws, internal regulations, good-governance codes, or other company documents. It does not intend to describe the corporation's governance model, but rather explain how it actually works and any relevant changes during the accounting period.

33.2 Measure Implementation

YES

☐

NO

☐

N.A.

☐

YES. Briefly indicate:	
NO. Explain:	
N.A. Precise the law or regulation that prevents the adoption of the recommendation:	
Implementation Date	
Modification Dates	

**33.3.** The company's **Annual Corporate Governance Report** describes, at the end of the accounting period, **how the company enforced, throughout the year, the governance recommendations** it adopted as well as the leading resulting changes.

The structure of the company's Annual Corporate Governance Report coincides with the scheme provided in recommendation 33.3.

33.3 Measure Implementation

YES

☐

NO

☐

N.A.

☐

<b>YES. Briefly indicate:</b>	
<b>NO. Explain:</b>	
<b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b>	

<b>Implementation Date</b>	
<b>Modification Dates</b>	