

ANNEX 2: REPORT ON THE IMPLEMENTATION OF BEST CORPORATE PRACTICES

REPORT ON THE IMPLEMENTATION OF BEST CORPORATE PRACTICES

ISSUER'S CORPORATE NAME: CONSTRUCTORA CONCRETO S. A.

PRINCIPAL LEGAL REPRESENTATIVE: JUAN LUIS ARISTIZÁBAL VÉLEZ

LEGAL REPRESENTATIVE DESIGNATED TO SEND THE IMPLEMENTATION REPORT:
JORGE HERNÁN JIMÉNEZ JARAMILLO

REPORT PERIOD: JANUARY TO DECEMBER, 2015

REPORT DATE: JANUARY 29, 2016

INTRODUCTION

The implementation of the recommendations of the new Code of Best Corporate Practices in Colombia must be reported by issuers to the Colombian Financial Superintendency (*Superintendencia Financiera de Colombia*, SFC) through this Report on the Implementation of Best Corporate Practices.

The purpose of this report is to inform the securities market on the implementation or not of the Code's recommendations by each issuer. To this end, each recommendation has three boxes for YES, NO and N/A, as well as a space to supplement its response as follows:

If the answer is YES, the issuer must briefly describe how said implementation was made. If the answer is NO, the issuer must explain the reasons why it has not accepted it.

The answer N/A may only be provided by an issuer in those cases where, for legal reasons, it is not possible to adopt the recommendation. In this case, it must indicate precisely the rule that prevents it from doing so.

Given that some recommendations are made up of a number of specific aspects, it is important to note that these will be understood as being Implemented only if the recommendation meets all the aspects that make it up, unless the reason for not adopting some of them is legal, which should be indicated.

Each recommendation has a box to indicate the date on which the issuer first implemented it. In addition there is a box to indicate the date(s) on which the modification(s) were made.

Finally, when, due to its nature, the issuer does not have the specific body to which the recommendation refers, it is understood that it refers to the body inside the entity that is equal to or in lieu thereof.

I. SHAREHOLDER RIGHTS AND EQUAL TREATMENT

Measure No. 1: Principle of Equal Treatment

1.1. The Company provides equal treatment to all shareholders who, within the same class of shares, are in the same conditions, without entailing access to insider information of some shareholders regarding others.

1.1 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: It is regulated in Chapter 7 Number 1 of the Code of Good Corporate Governance.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	25.03.2011
Dates of Modification	18.12.2015

1.2. The Board of Directors has approved a specific procedure that defines the Company's practices **to engage with shareholders in different conditions**, such as – for example – access to information, the resolution of requests for information, communication channels, the forms of interaction among shareholders and the Company, its Board of Directors and other Directors.

1.2 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: It is regulated in Chapter 7 Number 2 of the Code of Good Corporate Governance.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	25.03.2011
Dates of Modification	18.12.2015

Measure No. 2: Information about Shares

2.1. Through its Webpage, the Company clearly, accurately and comprehensively **discloses to the public the various classes of shares issued** by the Company, the number of shares issued for each class and the number of shares in reserve, as well as the rights and obligations inherent to each class of shares.

2.1 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: The required information is found on the Company's Webpage.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	25.03.2011
Dates of Modification	21.01.2016

Measure No. 3: No Dilution of Capital

3.1. In operations that may lead to the dilution of the capital of minority shareholders (in the case of an increase in capital with the waiver of preemptive rights in the subscription of shares, a merger, scission or segregation, among others), the Company shall explain the operations in detail to the shareholders in a previous report from the Board of Directors, and with the opinion on the terms of the operation, from an independent external advisor with recognized solvency (*fairness opinion*), designated by the Board of Directors. These reports will be available to shareholders prior to the Assembly, within the terms for exercising the right of inspection.

3.1 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 31 Paragraph 2 and Article 42 Number 20 of the Corporate Bylaws.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

Measure No. 4: Information and Communication with Shareholders

4.1. The Company has a corporate Webpage, in Spanish and English, with a link to Corporate Governance or Relations with Shareholders and Investors or such, in which it includes the financial and non-financial information in the terms proposed in Recommendations 32.3 and 33.3 and which – in no case – may include confidential information of the Company or information related to trade secrets or that information, the disclosure of which could be used in detriment to the Company.

4.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: The information is contained on the Company's Webpage.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	25.03.2011
Dates of Modification	21.01.2016

4.2. The Company has mechanisms for permanent access and use aimed exclusively at shareholders, such as a link on the Webpage for exclusive access by shareholders, or a Shareholder and Investor Relations Office, regular informative meetings, among others, where they may express their opinions or pose concerns or suggestions on the development of the Company or those associated to their condition as shareholders.

4.2 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Chapter 7 Number 2 of the Code of Good Corporate Governance. On the Webpage there is an access link entitled "Shareholder Services." Also, the Company has an "Investor Relations" Department.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	25.03.2011
Dates of Modification	18.12.2015

4.3. The Company organizes events to present quarterly results, aimed at its **shareholders and market analysts**, which may be attended in person or through distance communication media (conference, videoconference, etc.)

4.3 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: Quarterly teleconferences are held with access via streaming through a link on the Company's Webpage, where the most relevant information of the period is exhibited and the financial information and the results thereof are presented.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	25.03.2011
Dates of Modification	13.11.2015

4.4. The Company organizes or participates in presentations, events or forums on fixed income, mainly for **investors in debt instruments and market analysts**, in which the issuer's business indicators, the management of its liabilities, its financial policy, grades, the issuer's behavior regarding *covenants*, etc., are updated.

4.4 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain:</p>
<p>NO: Explain: The Company only issues variable-income securities.</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	
Dates of Modification	

4.5. Company Bylaws provide that a shareholder or group of shareholders who represent at least five percent (5%) of the capital may request Specialized Audits on matters different from those audited by the Company's Fiscal Auditor. Depending on its capital structure, the Company may determine a percentage less than five percent (5%).

4.5 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 58 of the Corporate Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

4.6. To exercise this right, **The Company has a written procedure** with the details contemplated in Recommendation 4.6.

4.6 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 58 of the Corporate Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

Measure No. 5: Actions of the Administrators to Exchange Operations or Takeover of the Company.

5.1. The Board of Managers and Top Management have expressly accepted in their Letters of Acceptance or contracts that, upon knowledge of the presentation of a Tender Offer (*Oferta Pública de Adquisición, OPA*) or other relevant operations, such as mergers and scissions, there will be periods during which they promise not to directly or indirectly negotiate Company shares through an intermediary.

5.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 11, Number 15 of the Board of Directors' Internal Regulations. There is a communication from the Board members in which they have expressly accepted this Measure.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	29.01.2016

Measure No. 6: Companies Integrated into Conglomerates

6.1. Without prejudice to the independence of each individual company integrated into the Conglomerate and the responsibilities of their administrative bodies, **there is an organizational structure** of the Conglomerate that defines, for the three (3) levels of government – Assembly of Shareholders, Board of Directors and Top Management – the bodies and key individual positions, as well as the relationship among them, which is public, clear and transparent, and permits determining clear lines of responsibility and communication, and provides the strategic direction, supervision, control and effective administration of the Conglomerate.

6.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
NO: Explain: This Recommendation will be Implemented during 2016.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

6.2. The Parent Company and its most important Subsidiaries have defined a frame of reference for institutional relationships by signing of a public agreement and approved by the Board of Directors of each one of these companies, which regulates the topics indicated in Recommendation 6.2.

6.2 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:

NO: Explain: This Recommendation will be Implemented during 2016.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

Measure No. 7: Conflict Resolution

7.1. Except for those disputes among shareholders, or between shareholders and the Company or its Board of Directors, which, by express legal authority must necessarily be brought before ordinary courts, **the Company Bylaws include mechanisms to resolve controversies, such as direct agreement, friendly composition, conciliation or arbitration.**

7.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 14 of the Corporate Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	25.03.2011
Dates of Modification	25.01.2016

II. GENERAL ASSEMBLY OF SHAREHOLDERS

Measure No. 8: Functions and Competence

8.1. In addition to the other functions attributed to the General Assembly of Shareholders through the legal framework, **the Bylaws expressly indicate the functions of the General Assembly of Shareholders indicated in Recommendation 8.1**, and emphasize their exclusive, non-delegated nature.

8.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is found in the Paragraph of Article 37 of the Corporate Bylaws. The policies that the Measure indicates will be adopted during 2016.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

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

9.1. **The Company has Regulations for the General Assembly of Shareholders** that regulate all those matters regarding it, from its summons to the preparation of the information that shareholders must receive, attendance, development and exercising the political rights of shareholders, so that they are fully informed on the entire development of the Assembly sessions.

9.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: The Company has an Internal Regulations for the General Assembly of Shareholders.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	25.03.2011
Dates of Modification	18.12.2015

Measure No. 10: Summons to the Assembly

10.1. To facilitate exercising shareholders' right to information, **the Bylaws stipulate that the Ordinary General Assembly of Shareholders must be summoned at least thirty (30) calendar days in advance; for extraordinary meetings, they must be summoned at least fifteen (15) calendar days in advance.** This, without prejudice to the legal terms establishes for business reorganizations (for example, mergers, scission or transformation).

10.1 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 31 of the Corporate Bylaws and in Chapter One, Article 4 of the Internal Regulations of the Shareholders' Assembly.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	27.03.2015
Dates of Modification	18.12.2015

10.2. In addition to the traditional and mandatory means provided for in the legal framework, **The Company assures the maximum dissemination and publication of the summons** through the use of electronic media, such as the Corporate Webpage, alert messages through individualized email and even, if deemed necessary, through social networks.

10.2 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 31 of the Corporate Bylaws and in Chapter One, Article 4 of the Internal Regulations of the Shareholders' Assembly.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	27.03.2015
Dates of Modification	18.12.2015

10.3. In order to increase the transparency of the decision-making process during the General Assembly, in addition to the Order of the Day of the meeting with the point-by-point statement of the issues that will be discussed, **the Company has provided that, simultaneously with the summons, or at least fifteen (15) calendar days in advance of the meeting, the Proposals for Agreement will be made available** to shareholders on each point of the Order of the Day that the Board of Directors will submit to the General Assembly of Shareholders.

10.3 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 31 of the Corporate Bylaws and in Chapter One, Article 4 of the Internal Regulations of the Shareholders' Assembly.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	18.12.2015

10.4. An improper scission may only be analyzed and approved by the General Assembly of Shareholders when this point has been expressly included in the summons to the respective meeting.

10.4 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 31 Paragraph 2 of the Corporate Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

10.5. The Order of the Day proposed by the Board of Directors contains the specific content of the topics to be dealt with, avoiding that the issues of concern are hidden or masked under vague, generic, too-general or too-broad mentions, such as "others" or "propositions and various".

10.5 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 31 of the Corporate Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

10.6. In the case of amendments to the Bylaws, each article or group of articles that are substantially independent **is 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, so requests during the Assembly, a right which will be disclosed beforehand to shareholders.

10.6 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 37, Point D of the Corporate Bylaws and in Article 4 of the Internal Regulations of the Shareholders Assembly.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	18.12.2015

10.7. Without prejudice to the provisions of Article 182 of the Commerce Code, in order to strengthen and guarantee the right of inspection and information for shareholders prior to the Assembly meeting, **the Bylaws recognize the right of shareholders, regardless of the size of their shareholding, to propose the introduction of one or more points to be discussed in the Order of the Day** of the General Assembly of Shareholders, within a reasonable limit and provided that the request for the new points be accompanied by a justification. The request by shareholders must be made within the five (5) calendar days following the publication of the summons.

10.7 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 31 Paragraph 1 of the Corporate Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

10.8. If the request is dismissed by the Board of Directors, **it is obligated to respond in writing** to those requests upheld, at least by a percentage of five percent (5%) of the corporate capital, or a lower percentage established by the Company, according to the degree of concentration of ownership, **explaining the reasons for its decision and** informing shareholders of the right they have to put their proposals forward during the celebration of the Assembly, according to the provisions of said Article 182 of the Commerce Code.

10.8 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 31 Paragraph 1, and Article 42 Numbers 21 and 22 of the Corporate Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

10.9. In the event that the Board of Directors accepts the request, once the time for shareholders to raise issues in accordance with the above recommendations, **a supplement to the summons of the General Assembly of Shareholders will be published, at least fifteen (15) calendar days before the meeting.**

10.9 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 31 Paragraph 1 and Article 42 Number 23 of the Corporate Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

10.10. In the same period indicated in Number 10.7, **shareholders may also present well-founded new Proposals of Agreement** on issues already included beforehand in the Order of the Day. For these requests, the Board of Directors will act similarly to the provisions of Recommendations 10.8 and 10.9 above.

10.10 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 31 Paragraph 1 and Article 42 Number 21 of the Corporate Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

10.11. The Company **is obligated to use electronic communication media, primarily the Corporate Webpage with exclusive access by shareholders**, to send these documents and the information related to each one of the points of the Order of the Day of the meeting to them.

10.11 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 31 of the Corporate Bylaws and Article 4 of the Internal Regulations of the Shareholders' Assembly.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	18.12.2015

10.12. The Company Bylaws recognize that shareholders have the right to request, well in advance, the information or clarifications they deem necessary, through traditional channels and/or where appropriate, through new technologies, or to formulate in writing the questions they deem necessary regarding the issues included in the Order of the Day, the documents received or on public information provided by the Company. Depending on the period chosen by the Company to summon the General Assembly of Shareholders, the Company shall determine the period within which shareholders may exercise this right.

10.12 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 38 of the Corporate Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

10.13. The Company has provided that the information requested may be denied if, in accordance to internal procedures, it may be classified as (i) unreasonable; (ii) irrelevant to know the progress or the interests of the Company; (iii) confidential, which will include privileged information in the field of the securities market, trade secrets, ongoing operations whose successful completion for the Company substantially depends on the secret of its negotiation; and (iv) others, the disclosure of which places the competitiveness thereof in imminent and serious danger.

10.13 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 38 of the Corporate Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

10.14. When the response provided to a shareholder can give him an advantage, the Company **guarantees access to said response to the other shareholders**, concurrently, in accordance with the mechanisms established for this purpose, and under the same conditions.

10.14 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 38 of the Corporate Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

Measure No. 11: Regulation of Representation

11.1. Without prejudice to the limits provided in Article 185 of the Commercial Code, External Circular 24 of 2010 and the rules that modify, add to or replace it, **the Company does not limit the right of shareholders to be represented in the General Assembly of Shareholders**, being able to delegate their vote to anyone, be they a shareholder or no.

11.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 16 of the Corporate Bylaws and Articles 5 and 7 of the Internal Regulations of the Shareholders' Assembly.

NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	18.12.2015

11.2. The Company minimizes the use of delegations of blank votes, with no voting instructions, actively promoting the use of a standard model for the letter of representation that the Company itself sends to shareholders or publishes on its Webpage. In the model, the points of the Order of the Day and the corresponding specific Proposals of Agreement are included, in accordance with the procedure previously established and which will be submitted to the consideration of shareholders, in order for the shareholder, if he deems it convenient, to indicate in each case, the indication of his vote to his representative.

11.2 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: The model for the proxies is included, which are published on the Webpage, prior to the meetings of the General Assembly of Shareholders.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	22.12.2015

Measure No. 12: Attendance of Other Persons, in Addition to the Shareholders

12.1. In order to revitalize the role of the General Assembly in the formation of the Company's will, and to make it a much more participative body, the **Company's** Regulations of the Assembly **requires members of the Board of Directors and, in particular, the Chairmen of the Board Committees, as well as the Company CEO, to attend the Assembly** to respond to shareholder concerns.

12.1 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 12 of the Internal Regulations of the Shareholders' Assembly and in Article 11 Number 14 of the Internal Regulations of the Board of Directors.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	27.03.2015
Dates of Modification	18.12.2015

III. THE BOARD OF DIRECTORS

Measure No. 13: Functions of the Board of Directors

13.1. The Bylaws expressly indicate those **functions that may not be delegated to Top Management**, among which are those established in Recommendation 13.1.

13.1 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 42 Number 51 of the Corporate Bylaws. The policies enshrined in the Measure will be implemented during 2016.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	27.03.2015
Dates of Modification	25.01.2016

13.2. Without prejudice to the autonomy of the governance bodies of the Subsidiaries, **when the Company acts as the Parent Company of a Conglomerate**, these functions of the Board of Directors have a group focus and **are developed through general policies, guidelines or requests for information that respect the balance between the interests of the Parent Company and those of the Subsidiaries, and of the Conglomerate as a whole.**

13.2 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 42 Paragraph 1 of the Corporate Bylaws. The policies enshrined in the Measure will be implemented during 2016.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

Measure No. 14: Regulation of the Board of Directors

14.1. The Board of Directors has approved the internal regulations that regulate its organization and operation, as well as the functions and responsibilities of its members, the Board of Directors' Chairman and Secretary, and their duties and rights. This is disclosed to shareholders, and is binding for the members of the Board of Directors.

14.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: The Company has an Internal Regulations for the Board of Directors.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	25.03.2011
Dates of Modification	18.12.2015

Measure No. 15: Dimension of the Board of Directors

15.1. The Company's Bylaws state that it has chosen not to designate Alternate Members to the Board of Directors.

15.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 40 of the Corporate Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2009
Dates of Modification	27.03.2009

Measure No. 16: Composition of the Board of Directors

16.1. Under the premise that once elected all the members of the Board of Directors act on behalf of the Company, in an exercise of maximum transparency, **the Company identifies the origin of the different members of the Board** according to the scheme defined in Recommendation 16.1

16.1 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 42 Paragraph 2 of the Corporate Bylaws.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

16.2. The Company has a procedure, articulated through the Appointment and Retribution Committee or another committee that complies with its functions, which allows the Board of Directors, through its own dynamics and the conclusions of the yearly evaluations, to achieve the objectives indicated in Recommendation 16.2.

16.2 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 5 Number 9 of the Internal Regulations of the Appointment and Retribution Committee and in Article 22 Number 9 of the Internal Regulations of the Board of Directors.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	27.03.2015
Dates of Modification	18.12.2015

16.3. The professional profiles identified as necessary are reported to shareholders by the Board of Directors, so that the different actors, primarily controlling shareholders, significant shareholders, families, groups of shareholders and institutional shareholders, if they exist, and the Board itself, are able to identify the most suitable candidates.

16.3 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 2 of the Internal Regulations of the Board of Directors.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

16.4. The Company believes that the sole evaluation of the resumes by shareholders is insufficient to determine the suitability of candidates; therefore, **it has an internal procedure to evaluate the incompatibilities and disqualifications of a legal nature and the adequacy of the candidate to the needs of the Board of Directors**, through the evaluation of a set of criteria that the functional and personal profiles of the candidates must meet, and the verification of the fulfillment of some objective requirements to be a member of the Board of Directors and other additional requirements to be an Independent Member.

16.4 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 5 Number 24 of the Internal Regulations of the Appointment and Retribution Committee and in Article 22 Number 24 of the Internal Regulations of the Board of Directors.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

16.5. In addition to the requirements of independence as established in Law 964 of 2005, **The Company has voluntarily adopted a more rigorous definition of independence** than that established in said law. This definition has been adopted as a framework through its Board Regulations, and includes – among other requirements that must be evaluated – the relationships or links of any kind of the candidate to be an Independent Member with controlling or significant shareholders and their national or foreign Related Parties, and requires a double declaration of independence: (i) from the candidate to the Company, its shareholders and members of Top Management, implemented through its Letter of Acceptance; and (ii) from the Board of Directors, regarding the candidate’s independence.

16.5 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 3 of the Internal Regulations of the Board of Directors.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

16.6. The Company, through its internal regulations, considers that the Board of Directors, through its Chairman and with the support of the Appointment and Retribution Committee or the committee that complies with its functions, is the most appropriate body to centralize and coordinate the process of forming the administrative body before the General Assembly. Thus, shareholders who, based on their shareholding, aspire to be part of the Board of Directors, may know the needs of the Board of Directors and propose their aspirations, negotiate the share balances and the distribution among the various categories of members, present their candidates and accept that the suitability of their candidates be evaluated by the Appointment and Retribution Committee before the vote in the General Assembly of Shareholders.

16.6 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 22 Number 25 of the Internal Regulations of the Board of Directors and in Article 5 Number 25 of the Internal Regulations of the Appointment and Retribution Committee.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

16.7. The Regulations of the Board of Directors establishes that the evaluation of suitability of the candidates is an activity which is done before holding the General Assembly of Shareholders, so that shareholders have sufficient information (personal

qualities, suitability, career, experience, integrity, etc.) regarding the candidates proposed to be part of it, with the time to allow for a proper evaluation.

16.7 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 3 of the Internal Regulations of the Board of Directors.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

Measure No. 17: Functional Structure of the Board of Directors

17.1. The Regulations of the Board of Directors stipulates that **Independent and Patrimonial Members are always a majority over the Executive Members**, the number of which, in the event of joining the Board of Directors, is the minimum necessary to attend the needs of information and coordination between the Board of Directors and the Company’s Top Management.

17.1 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 3 of the Internal Regulations of the Board of Directors.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

17.2. From the minimum percentage of twenty–five percent (25%) of Independent Members established in Law 964 of 2005, **the Company randomly analyzes and voluntarily adjusts the number of Independent Members**, taking into account – among others – that the number of Independent Members is related to the Floating Capital.

17.2 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 3 of the Internal Regulations of the Board of Directors.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

Measure No. 18: Organization of the Board of Directors

18.1. The functions of the Chairman of the Board of Directors are indicated in the Bylaws and his principal responsibilities are those established in Recommendation 18.1.

18.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 13 of the Internal Regulations of the Board of Directors.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.2. The Company's internal regulations establish the possibility that **the Chairman of the Board of Directors may have treatment different from that of the other members**, both in his obligations as well as in his remuneration, as a result of the scope of his specific functions and his greater dedication of time.

18.2 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 13 of the Internal Regulations of the Board of Directors.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.3. The Bylaws indicate the rules for the appointment of the Secretary of the Board of Directors, among which are those indicated in Recommendation 18.3.

18.3 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 14 of the Internal Regulations of the Board of Directors and Article 49 of the Corporate Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	18.12.2015

18.4. In the Regulations of the Board of Directors, the functions of the Secretary are established, among which are those indicated in Recommendation 18.4.

18.4 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 14 of the Internal Regulations of the Board of Directors.
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NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.5. The Board of Directors has constituted an Appointment and Retribution Committee.

18.5 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 42 Number 37 and Articles 69 to 73 of the Corporate Bylaws. This is also regulated in Article 16 of the Internal Regulations of the Board of Directors and in the Internal Regulations of the Appointment and Retribution Committee.</p>
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	25.01.2016

18.6. The Board of Directors has constituted a Risk Committee.

18.6 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: Without being an independent committee, all its functions are the responsibility of the Audit Committee. This is regulated in Article 10 of the Internal Regulations of the Audit Committee.</p>
NO: Explain:

N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.7. The Board of Directors has constituted a Corporate Governance Committee.

18.7 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
 This is regulated in Article 42 Number 37 and Articles 64 to 68 of the Corporate Bylaws.
 This is also regulated in Article 16 of the Internal Regulations of the Board of Directors and in the Internal Regulations of the Corporate Governance Committee.

NO: Explain:

N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	25.01.2016

18.8. If the Company has considered that it is not necessary to constitute all of these Committees, their functions have been distributed among those that exist or have been assumed by the full Board of Directors.

18.8 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
 The Risk and Audit Committee functions as a single committee, under the title of Audit Committee.

NO: Explain:

N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
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Dates of Modification	18.12.2015
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18.9. Each one of the Board of Directors' Committees has an Internal Regulation that regulates the details of its conformation, the matters and functions on which the Committee must work, and its operation, paying special attention to the channels of communication between the Committees and the Board of Directors; in the case of the Conglomerates, to the mechanisms of relationship and coordination among the Board's Committees of the Parent Company and those of the Subsidiaries, if they exist.

18.9 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: Each Committee has its own Internal Regulations.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.10. The Board of Directors' Committees are exclusively made up of Independent or Patrimonial Members, with a minimum of three (3) members and presided over by an Independent Member. In the case of the Appointment and Retribution Committee, the Independent Members are always the majority.

18.10 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This provision is enshrined in the Internal Regulations of the Board of Directors' Committees, as well as in Articles 20, 21 and 22 of the Internal Regulations of the Board of Directors.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.11. The Board of Directors' Committees may obtain the specific or permanent support of the members of Top Management with experience in the matters of its competence and/or that of external experts.

18.11 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Articles 12 and 16 of the Internal Regulations of the Board of Directors.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2016
Dates of Modification	18.12.2015

18.12. For the integration of its Committees, the Board of Directors considers the profiles, knowledge and professional experience of the members in relation to the matter that is the object of the Committee.

18.12 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 16 of the Internal Regulations of the Board of Directors.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.13. The meetings of the Committees will be recorded in minutes, a copy of which is sent to all the members of the Company's Board of Directors. If the Committees have delegated powers for decision making, the minutes are consistent with the requirements in Articles 189 and 431 of the Commercial Code.

18.13 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 4 of the Internal Code of the Appointment and Retribution Committee; in Article 4 of the Internal Regulations of the Corporate Governance Committee; and in Article 9 of the Internal Regulations of the Audit Committee.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.14. Unless the applicable legal or regulatory framework requires its constitution, in the case of Conglomerates, the internal regulations provide that **the Board of Directors of the Subsidiaries may choose not to constitute specific Committees** to treat certain matters and these tasks may be assumed by the Committees of the Parent Company Board of Directors, without this being a transfer to the Parent Company of the responsibility of the Boards of Directors of the Subsidiaries..

18.14 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain:</p>
<p>NO: Explain: This does not apply, as no Subsidiary has a Board of Directors.</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	
Dates of Modification	

18.15. The principal task of the Audit Committee is to assist the Board of Directors in its oversight role by evaluating the accounting procedures, the relationship with the Fiscal Auditor, and, in general, the revision of the Company's Control Architecture, including the risk management auditing system implemented by the Company.

18.15 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 5 of the Internal Regulations of the Audit Committee.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.16. The members of the Audit Committee have knowledge in accounting, finances and other associated matters, which allows them to rule with rigor on issues that are the competence of the Committee at a level sufficient to understand their scope and complexity.

18.16 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Articles 6 and 20 of the Internal Regulations of the Audit Committee.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.17. At the request of the Chairman of the Assembly, the Chairman of the Audit Committee shall report to the General Assembly of Shareholders on specific topics of work carried out by the Committee, such as – for example – the analysis of the scope and content of the Fiscal Auditor’s Report.

18.17 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 37, Point N of the Corporate Bylaws.

NO: Explain:
N/A: Specify the rules that prevent adopting the recommendations.

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

18.18. The Internal Regulations of the Audit Committee attribute to it the functions indicated in Recommendation 18.18.

18.18 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 10 of the Internal Regulations of the Audit Committee and in Article 20 of the Internal Regulations of the Board of Directors.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.19. The principal objective of the Appointment and Retribution Committee is to support the Board of Directors in exercising its decisive or advisory functions associated with matters of appointments and remuneration of the members of the Board of Directors and Top Management, and to oversee the observance of the rules of Corporate Governance, regularly reviewing compliance, recommendations and principles (in those cases where this function is not expressly attributed to another of the Company's committees).

18.19 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 5 of the Internal Regulations of the Appointment and Retribution Committee and in Article 22 of the Internal Regulations of the Board of Directors.
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NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.20. Some members of the Appointment and Retribution Committee have knowledge in strategy, human resources (recruiting and selection, hiring, training, personnel administration or management), salary policies and similar matters, with a level sufficient to understand their scope and complexity that these matters present in the Company.

18.20 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 3 of the Internal Regulations of the Appointment and Retribution Committee.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.21. At the request of the Chairman of the Assembly, the Chairman of the Appointment and Retribution Committee may inform the General Assembly of Shareholders on specific topics of work carried out by the Committee, such as – for example – the monitoring of the remuneration policies for the Board of Directors and Top Management.

18.21 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 37 Point O of the Corporate Bylaws.
NO: Explain:

N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

18.22. The Internal Regulations of the Appointment and Retribution Committee attribute to it the functions indicated in Recommendation 18.22.

18.22 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
 This is regulated in Article 5 of the Internal Regulations of the Appointment and Retribution Committee and in Article 22 of the Internal Regulations of the Board of Directors.

NO: Explain:

N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.23. The principal objective of the **Risk Committee** is to assist the Board of Directors in complying with its supervisory responsibilities regarding risk management.

18.23 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
 This is the responsibility of the Audit Committee, which complies with the functions of the Risk Committee.
 This is regulated in Article 10 of the Internal Regulations of the Audit Committee.

NO: Explain:

N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.24. At the request of the Chairman of the Assembly, **the Chairman of the Risk Committee may inform the General Assembly of Shareholders** on specific topics of work carried out by the Committee.

18.24 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: The functions of the Risk Committee are the responsibility of the Audit Committee. This is regulated in Article 37 Point N of the Corporate Bylaws.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	27.03.2015
Dates of Modification	25.01.2016

18.25. With the adjustments necessary to distinguish companies that belong to the financial sector or the real sector of the economy, and without prejudice to the functions assigned to this committee by the current regulations, **the Internal Regulations of the Risk Committee attribute to it the functions established in Recommendation 18.25.**

18.25 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: The functions of the Risk Committee are the responsibility of the Audit Committee. This is regulated in Article 10 Internal Regulations of the Audit Committee.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.26. The main task of the **Corporate Governance Committee is to assist the Board of Directors in its functions to propose and supervise the Corporate Governance Measures** adopted by the Company.

18.26 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 5 of the Internal Regulations of the Corporate Governance Committee and in Article 21 of the Internal Regulations of the Board of Directors.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.27. The Internal Regulations of the Corporate Governance Committee attribute to it the functions indicated in Recommendation 18.27.

18.27 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 5 of the Internal Regulations of the Corporate Governance Committee.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

Measure No. 19: Operation of the Board of Directors

19.1 The Chairman of the Board of Directors, with the assistance of the Secretary and the Company CEO **prepares a work plan for the Board of Directors** for the period evaluated, a tool that facilitates determining the reasonable number of ordinary meetings per year and their estimated length.

19.1 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 13 Number 10 of the Internal Regulations of the Board of Directors.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

19.2. Except for the entities subject to oversight that, for their regime, are obligated to have at least one (1) meeting per month, **the Company's Board of Directors has between eight (8) to twelve (12) ordinary meetings per year.**

19.2 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 41 of the Corporate Bylaws and in Article 7 of the Internal Regulations of the Board of Directors.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	27.03.2015
Dates of Modification	18.12.2015

19.3. One (1) or two (2) meetings per year of the Board of Directors **have a clear focus aimed at defining and monitoring the Company's strategy.**

19.3 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 41 of the Corporate Bylaws and in Article 7 of the Internal Regulations of the Board of Directors.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	18.12.2015

19.4. The Board of Directors approves a specific calendar of ordinary sessions, without prejudice that, extraordinarily, it may meet as often as necessary.

19.4 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 5 of the Internal Regulations of the Board of Directors.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

19.5. Together with the summons of the meeting and at least five (5) calendar days in advance, the documents or the information related to each point of the Order of the Day will be given to the members of the Board of Directors, in order to actively participate and make reasonable decisions.

19.5 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 5 of the Internal Regulations of the Board of Directors.

NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

19.6. With the assistance of the Secretary of the Board of Directors, **the Board assumes the ultimate responsibility that all members receive the information in sufficient time and** that the information is useful, so that quality must prevail over quantity in the Board of Directors' *dashboard* (the set of documents they receive).

19.6 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 13 Number 7 of the Internal Regulations of the Board of Directors.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

19.7. The ultimate responsibility for the preparation of the Order of the Day of the Board meetings corresponds to the Board Chairman and not to the Company's CEO; it is structured according to certain parameters that permit following a logical order in presenting the issues and debates.

19.7 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 13 Number 2 of the Internal Regulations of the Board of Directors.
NO: Explain:

N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

19.8. In the Annual Corporate Governance Report and on the corporate Webpage, the Company publishes the attendance of the members to the meetings of the Board of Directors and its Committees.

19.8 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
 This is regulated in Article 23 of the Internal Regulations of the Board of Directors.
 The information corresponding to 2015 will be reported in the annual Corporate Governance Report, which meets the parameters required by the Measure and will be presented for the approval of the Assembly of Shareholders in the ordinary meeting to be held in March 2016.

NO: Explain:

N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

19.9. Annually the Board of Directors evaluates the effectiveness of its work as a collegiate body, the work of its Committees and the work of the members considered individually including the evaluation of their peers, as well as the reasonability of its internal rules and the dedication and performance of its members, proposing any amendments to its organization and operation that it considers relevant. In the case of Conglomerates, the Parent Company Board of Directors requires that the evaluation process also be conducted in the Boards of Directors of the Subsidiaries.

19.8 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
 This is regulated in Article 19 of the Internal Regulations of the Board of Directors.

NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

19.10. The Board of Directors alternates the technique of the internal self-evaluation with the external evaluation, conducted by independent advisors.

19.9 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 19 of the Internal Regulations of the Board of Directors. The Company will be evaluated at the right time to implement the external evaluation. At the present time, there is an internal evaluation.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

Measure No. 20: Duties and Rights of the Members of the Board of Directors

20.1. The Regulations of the Board of Directors complements the provisions of the regulatory framework, related to the duties and rights of the members of the Board of Directors.

20.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Articles 11 and 12 of the Internal Regulations of the Board of Directors.
NO: Explain:
N/A: Specify the rules that prevent adopting the

recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

20.2. The Regulations of the Board of Directors develops the understanding of the Company regarding the **duties of the members of the Board of Directors referred to in Recommendation 20.2.**

20.2 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 11 of the Internal Regulations of the Board of Directors.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

20.3. The Regulations of the Board of Directors develops the content of the **rights of the members of the Board of Directors established in Recommendation 20.3.**

20.3 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 12 of the Internal Regulations of the Board of Directors.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

Measure No. 21: Conflicts of Interest

21.1. The Company has a defined, formalized policy and procedure in the internal regulations for the knowledge, administration and resolution of conflicts of interest, either direct or indirect through the Related parties, which could affect the members of the Board of Directors and other Administrators.

21.1 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Chapter Five Number 2 of the Code of Good Corporate Governance, as well as in Chapter 3 of the Code of Ethics and Business Conduct.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

21.2. The procedure to manage conflicts of interest distinguishes the nature thereof, differentiating between sporadic or permanent conflicts of interest. If the conflict of interest is sporadic, the applicable procedure indicates the rules and steps to be followed, which should be relatively easy to administer and difficult to evade for the party affected. For permanent conflicts of interest, the procedure considers that, if the situation affects the whole of the Company's operations, it is understood as grounds for the mandatory resignation by the affected party, since it is impossible to exercise the position.

21.2 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 17 of the Internal Regulations of the Board of Directors and in Chapter Five Number 2 of the Code of Good Corporate Governance.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

21.3. The members of the Board of Directors, Legal Representatives, members of Top Management and other Administrators of the Company **periodically report to the Board of Directors on the direct or indirect relationships** they maintain among themselves, or with other entities or structures belonging to the Conglomerate of which the issuer is part, or with the issuer, or with suppliers, or with clients or with any other Stakeholders, from which conflicts of interest could derive or influence the direction of their opinion or vote, thus constituting a *“Map of Related Parties”* of the Administrators.

21.3 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 17 of the Internal Regulations of the Board of Directors and in Chapter Five Number 1 of the Code of Good Corporate Governance.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

21.4. The relevant conflicts of interest, understood as those that will obligate the affected party to refrain from attending a meeting and/or voting, in which the members of the Board of Directors and other Administrators are found, **are indicated in the public information** that the Company publishes annually on its Webpage.

21.4 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 42 Number 11 Point E of the Corporate Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
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Dates of Modification	27.03.2015
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21.5. For these effects, the **definition of “Related Party”** that the Company applies is **consistent with International Accounting Standard 24 (AIS 24)**

21.5 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Chapter Six Number 1 of the Code of Good Corporate Governance.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

Measure No. 22: Operations with Related Parties

22.1. The Company has a policy that defines the specific procedure to assess, approve and disclose operations with Related Parties, including pending balances and relationships among them, except for those operations that are specifically regulated.

22.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Chapter Six Number 2 of the Code of Good Corporate Governance. The specific policy that regulates this Measure will be implemented during 2016.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

22.2. The Company policy on operations with Related Parties addresses the aspects dealt with in Recommendation 22.2.

22.2 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Chapter Six Number 2 of the Code of Good Corporate Governance. The specific policy that regulates this Measure will be implemented during 2016.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

22.3 The policy provides that no express authorization by the Board of Directors is required for operations with Related Parties recurring during the ordinary course of business under adherence contracts or general framework contracts, the conditions of which are perfectly standardized, are applied massively, and are carried out at market prices, generally set by the party acting as the supplier of the goods or services being dealt with, and the individual amount of which is not relevant to the Company.

22.3 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Chapter Six Number 2 of the Code of Good Corporate Governance.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	
Dates of Modification	18.12.2015

Measure No. 23: Retribution of the Members of the Board of Directors

23.1. The Company has a remuneration policy for the Board of Directors, approved by the General Assembly of Shareholders and reviewed annually, which identifies all the compensation components that may be effectively satisfied. These components may be fixed or variable. They may include fixed fees for being a member of the Board of Directors, fees for attending Board meetings and/or those of its Committees or other emoluments of any

kind accrued during the fiscal period, whatever its cause, in cash or in kind, as well as the obligations contracted by the Company in matters of pensions or the payment of life insurance premiums, or other concepts, for both past and present members, as well as those insurance premiums for civil responsibility (Director and Manager – D&M Liability Policies) contracted by the Company on behalf of the members of the Board of Directors.

23.1 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 5 Number 19 of the Internal Regulations of the Appointment and Retribution Committee. The Assembly determines the fixed remuneration and/or its increases.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

23.2. If the Company adopts remuneration systems through the recognition of a variable component linked to the medium– and long–term smooth running of the Company, **the remuneration policy incorporates limits on the amount** that the Board of Directors may distribute and, if the variable component is related to Company benefits or other management indicators at the close of the period evaluated, it must consider any qualifications stated in the Fiscal Auditor’s Report and that could lessen the results of the period.

23.2 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain:</p>
<p>NO: Explain: A variable remuneration has not been considered.</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	
Dates of Modification	

23.3. Patrimonial and Independent Members of the Board of Directors are expressly excluded from the compensation systems that incorporate options on shares or a variable remuneration linked to the absolute variation of the share price.

23.3 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
NO: Explain: A variable remuneration has not been considered.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

23.4. For each period evaluated, in the framework of the remuneration policy, the General Assembly of Shareholders approves a maximum cost for the Board of Directors for all the compensation components approved.

23.4 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
NO: Explain: Remuneration for the members of the Board of Directors is fixed, established by the Assembly.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

23.5. The total effective cost of the Board of Directors during the period evaluated, which includes all the compensation components paid to the members of the Board of Directors, as well as the reimbursement for expenses, is known by the shareholders and published on the Company's Webpage, with the level of disaggregation and detail that the Board of Directors approves.

23.5 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:	
NO: Explain: Remuneration for the members of the Board of Directors is fixed, established by the Assembly.	
N/A: Specify the rules that prevent adopting the recommendation:	
Date of Implementation	
Dates of Modification	

Measure No. 24: The Company CEO and Top Management

24.1. The Company's governance model establishes an effective separation between the administration or government of the Company (represented by the Board of Directors) and the Ordinary Course of the businesses (the responsibility of Top Management with the leadership of the Company CEO).

24.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: Both the Bylaws and the Regulations clearly define the field of action and functions of the Board of Directors and Top Management. Only in the event in which the limits determined in the Bylaws are surpassed may management request prior authorization from the Board of Directors.	
NO: Explain:	
N/A: Specify the rules that prevent adopting the recommendation:	
Date of Implementation	27.03.2015
Dates of Modification	25.01.2016

24.2. With a general nature, the Board of Directors' policy consists of delegating the Ordinary Course of the businesses in the Top Management team, concentrating its activity in the general functions of strategy, supervision, governance and control.

24.2 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 42 of the Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

24.3. As a general rule, the members of Top Management are directly identified, evaluated and designated by the Company CEO, since they are his direct collaborators. Alternately, **the Company may choose to have the members of Top Management be designated by the Board of Directors at the proposal of the Company CEO.** Regardless of who makes the final designation, candidates for key executive positions in the Company are known and evaluated by the Board of Director’s Appointment and Remuneration Committee, which shall give its opinion.

24.3 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 48 Point h of the Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

24.4. The Company has a clear policy for the delegation of functions approved by the Board of Directors and/or a scheme of powers that permits knowing the level of empowerment of the Company CEO and the other members of Top Management.

24.4 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: Both the Bylaws and the Regulations clearly define the field of action and functions of the Board of Directors and Top Management. Only in the event in which the limits determined in the Bylaws are surpassed may management request prior authorization from the Board of Directors.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	27.03.2015
Dates of Modification	25.01.2015

24.5. The Board of Directors, through the Appointment and Retribution Committee, or whoever fulfills its functions, **leads the annual performance evaluation of the Company's CEO and** knows the evaluations of the other members of Top Management.

24.5 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 5 Number 6 of the Internal Regulations of the Appointment and Retribution Committee.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

24.6. The Company has a remuneration policy for the Company CEO and the other members of Top Management, approved by the Board of Directors, which identifies all the compensation components that may be effectively satisfied, linked to meeting the long-term objectives and levels of risk.

24.6 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
NO: Explain: The specific policy that regulates this Measure will be implemented during 2016.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

24.7. If the remuneration of the Company’s CEO includes a fixed component and a variable component, its technical design and calculation method prevent the variable component from surpassing the maximum limit established by the Board of Directors.

24.7 Is the Measure Implemented? YES NO X N/A

YES: Briefly Explain:
NO: Explain: The specific policy that regulates this Measure will be implemented during 2016.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

IV. CONTROL ARCHITECTURE

Measure No. 25: The Control Environment.

25.1. The Board of Directors is ultimately responsible for a solid environment of control within the Company, adapted to its nature, size, complexity and risks, so that it meets the specifications indicated in Recommendation 25.1.

25.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 42 Number 52 of the Corporate Bylaws.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

25.2. In the case of Conglomerates, the Parent Company Board of Directors shall oversee the existence of a Control Architecture with a consolidated, formal scope to cover all the Subsidiaries, establishing responsibilities for the policies and guidelines on this matter at the Conglomerate level and defining clear levels of reporting that permit a consolidated vision of the risks to which the Conglomerate is exposed and taking control measures.

25.2 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
NO: Explain: This Recommendation will be implemented during 2016.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

Measure No. 26: Risk Management

26.1. In the Company, **the risk management objectives** are those contemplated in Recommendation 26.1.

26.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
NO: Explain: The Company has a Risk Policy that includes the objectives enshrined in this Recommendation. The Policy is pending approval by the Board of Directors, which will be done this year.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

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

26.2 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: The Company has a risk map, which is regularly evaluated by the Audit Committee; it is updated quarterly and there is permanent control on the risks.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	01.04.2008
Dates of Modification	23.10.2015

26.3. The Board of Directors is responsible for defining a risk management policy, as well as establishing some maximum limits of exposure for each risk identified.

26.3 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 42 Number 28 of the Corporate Bylaws. The new risk management policy is pending approval by the Board of Directors, which will be done this year.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

26.4. The Board of Directors knows and regularly supervises the Company's effective exposure to the maximum limits of risk defined, and proposes corrective and monitoring actions in case of deviations.

26.4 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 42 Number 29 of the Corporate Bylaws. Likewise, the Board of Directors is presented quarterly reports on the Company's risks.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	27.03.2015
Dates of Modification	23.10.2015

26.5. In the framework of the risk administration policy, Top Management is the owner of the processes and responsible for risk administration; that is, of identifying, evaluating, measuring, controlling, monitoring and reporting risks; defining methodologies; and ensuring that the risk administration is consistent with the strategy, risk policy defined, and the maximum limits approved.

26.5 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
NO: Explain: The Company has a risk policy that includes these responsibilities, of which Top Management is in charge. The policy is pending approval by the Board of Directors, which will be done this year.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

26.6. The Company has a risk delegation policy, approved by the Board of Directors, which establishes the risk limits that may be directly administered by each level in the Company.

26.6 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
NO: Explain: This Recommendation will be implemented during 2016.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

26.7. In the Conglomerates, risk administration is done at the consolidated level, to contribute to the cohesion and control of the companies that comprise it.

26.7 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:

NO: Explain:
This Recommendation will be implemented during 2016.

N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

26.8. If the Company has a complex, diverse business structure and operations, **there exists a Chief Risk Officer (CRO)**, with competence at the level of the Conglomerate if it deals with companies integrated in situations of control and/or the business group.

26.8 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
The Company has defined a control structure, through a Controller, with a consolidated scope.
The structure of the control area is being adjusted to the complexity of the business.

NO: Explain:

N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	22.07.2015
Dates of Modification	22.07.2015

Measure No. 27: Control Activities

27.1. The Board of Directors is responsible for the existence of an adequate internal control system, adapted to the Company and its complexity and is consistent with current risk management.

27.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
This is regulated in Article 42 Number 30 of the Corporate Bylaws.

NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

27.2. The Board of Directors is responsible for supervising the effectiveness and suitability of the internal control system, which may be delegated in the Audit Committee, without the Board losing its responsibility for supervision.

27.2 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated within the functions and responsibilities of the Audit Committee, in the Internal Regulations of this Committee.	
NO: Explain:	
N/A: Specify the rules that prevent adopting the recommendation:	
Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

27.3. In the Company, the principle of self-control, understood as the “*capacity of people to participate in the different processes to consider control as an inherent part of their responsibilities, fields of action and decision making*” is applied and required.

27.3 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
NO: Explain: The Company has a risk policy that includes the principle of self-control. The policy is pending approval by the Board of Directors, which will be done this year.

N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

Measure No. 28: Information and Communication

28.1. In the Company, the culture, philosophy and risk policies, as well as the approved limits of exposure, **are communicated top-down and horizontally**, so that the entire organization considers risks and the control activities in their activity.

28.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
NO: Explain: The Company has a risk policy that includes guidelines on communication and the limits of exposure. The policy is pending approval by the Board of Directors, which will be done this year.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

28.2. In the Company, there exists a truthful, understandable and complete mechanism to report information upward (to the Board of Directors and Top Management), that supports and permits informed decision making and the administration of risks and control.

28.2 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: The mechanism is implemented as a report to the Audit Committee, which is regularly presented to this Committee.
NO: Explain:

N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	01.04.2008
Dates of Modification	23.10.2015

28.3. The Company’s communication and information reporting mechanism permits: (i) Top Management involving the entire Company, highlighting its responsibility to risk management and the definition of controls, and (ii) Company personnel understanding their role in managing risks and identifying controls, as well as their individual contribution in relation to the work of others.

28.3 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
NO: Explain: The Company currently has risk communication and control mechanisms. The Company has a risk policy that includes this guiding framework. The policy is pending approval by the Board of Directors, which will be done this year.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

28.4. There exist internal “whistleblower” lines, which permit employees to anonymously communicate illegal or unethical behaviors or those that could contravene the Company’s culture of risk administration and control. A report on these denouncements is known by the Company’s Board of Directors.

28.4 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: In the Company, there is an Ethics Hotline where anonymous denouncements may be made.
NO: Explain:

N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	20.09.2008
Dates of Modification	20.09.2008

Measure No. 29: Monitoring the Control Architecture

29.1. In the Company, the Board of Directors, through the Audit Committee, is responsible for supervising the effectiveness of the different components of the Control Architecture.

29.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This is regulated in Article 5 of the Internal Regulations of the Audit Committee.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

29.2. In the Company, the work of monitoring aims to provide assurance on the effectiveness of the Control Architecture, primarily involved in the internal auditing in collaboration with the Fiscal Auditor of the scope of its powers and particularly as regards the financial information generated by the Company.

29.2 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: This Recommendation is met by the Company; it is reflected in the regular meetings of the Audit Committee, which the Fiscal Auditor attends.
NO: Explain:

N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	01.10.2006
Dates of Modification	23.10.2006

29.3. The internal audit function of the Company has an Internal Auditing Charter, approved by the Audit Committee, which expressly includes the scope of its functions in this matter, which should include the issues indicated in Recommendation 29.3.

29.3 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:

NO: Explain:
This Recommendation will be implemented during 2016.

N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

29.4. The Head of Internal Audit maintains a relationship of professional independence from the Top Management of the Company or the Conglomerate that hires it, through its unique functional dependence on the Audit Committee.

29.4 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:

NO: Explain:
This Recommendation will be implemented during 2016.
We are analyzing the figure of the internal auditor through a specialized auditing firm.

N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

29.5. In the Company, the appointment and removal of the Head of Internal Audit is a responsibility of the Board of Directors, at the proposal of the Audit Committee, and the removal or resignation is communicated to the market.

29.5 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 20 Number 26 of the Internal Regulations of the Board of Directors, as well as in Article 10 Number 26 of the Internal Regulations of the Audit Committee.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

29.6. The Fiscal Auditor of the Company or Conglomerate maintains clear independence from these, a quality that must be declared in the respective Auditing Report.

29.6 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 20 of the Corporate Bylaws.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	28.03.2003
Dates of Modification	27.03.2015

29.7. If the Company acts as the Parent Company of a Conglomerate, the Fiscal Auditor is the same for all the companies, including the off-shore companies.

29.7 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: The Fiscal Auditor firm is the same for the companies of the group that are required to have it, at the national level.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	31.03.2006
Dates of Modification	27.03.2015

29.8. The Company has a policy to designate the Fiscal Auditor, approved by the Board of Directors and disclosed to Shareholders, which indicates the provisions established in Recommendation 29.8.

29.8 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
NO: Explain: The policy to designate the Fiscal Auditor will meet the parameters required in the Measure and will be presented for the approval of the Assembly of Shareholders in the ordinary meeting to be held in March 2016.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

29.9. In order to avoid an excessive link between the Company and the Fiscal Auditing firm and/or its teams and to maintain their independence, the Company has established a maximum contractual period that ranges from five (5) to ten (10) years. In the case of the Fiscal Auditor, a natural person not linked to a company has a maximum contractual period of five (5) years.

29.9 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
NO: Explain: The policy to designate the Fiscal Auditor will meet the parameters required in the Measure and will be presented for the approval of the Assembly of Shareholders in the ordinary meeting to be held in March 2016.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

29.10. Within the maximum contractual period, the Company **promotes the rotation of the Fiscal Auditing firm's Auditor assigned to the Company** and its work teams to half of the period, at the end of which the rotation of the company must be made.

29.10 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
NO: Explain: The policy to designate the Fiscal Auditor will meet the parameters required in the Measure and will be presented for the approval of the Assembly of Shareholders in the ordinary meeting to be held in March 2016.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

29.11. In addition to the current prohibition not to contract professional **services with the Fiscal Auditor** different from those proper to financial auditing and the other functions recognized in current regulations, the company extends this limitation to the persons or entities linked to the Fiscal Auditing firm, among which are the companies of its group, as well as the companies in which there is a broad coincidence of its partners and/or administrators with those of the Fiscal Auditing firm.

29.11 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:

NO: Explain: The policy to designate the Fiscal Auditor will meet the parameters required in the Measure and will be presented for the approval of the Assembly of Shareholders in the ordinary meeting to be held in March 2016.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

29.12. In its public information, **the Company discloses the total amount of the contract with the Fiscal Auditor**, as well as the proportion that the fees paid by the Company represent against the total income of the firm related to its fiscal auditing activity.

29.12 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain: In the ordinary Assembly in which the Fiscal Auditor is to be elected, the Company discloses to shareholders the amount of its fees. There is no information to verify the percentage this represents in the income of the firm.
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

V. TRANSPARENCY AND FINANCIAL AND NON-FINANCIAL INFORMATION

Measure No. 30: Information Disclosure Policy

30.1. The Board of Directors has approved an Information Disclosure Policy, which identifies, at least, the information dealt with in this Recommendation.

30.1 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: The Board of Directors has approved an Information Disclosure Policy, which includes the points dealt with in this Recommendation.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

30.2. In the case of Conglomerates, information disclosure to third parties is comprehensive and transversal, referring to the set of companies, which allows external third parties to form an opinion based on the Conglomerate’s reality, organization, complexity, activity, size and governance model.

30.2 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 7 of the Information Disclosure Policy. As for the Conglomerate’s financial information, this is presented on a consolidated basis.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

Measure No. 31: Financial Statements

31.1. Should there be *exceptions* in the Fiscal Auditor's report, these and the actions that the Company proposes to solve the situation(s) will be informed to **shareholders gathered in the General Assembly by the Chairman of the Audit Committee.**

31.1 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 10 Number 35 of the Internal Regulations of the Audit Committee. Likewise, it is enshrined in Article 20 Number 35 of the Internal Regulations of the Board of Directors.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

31.2. When, before the *exceptions and/or paragraphs of emphasis* of the Fiscal Auditor, the Board of Directors considers that its opinion must prevail, this position is **adequately explained and justified through a written report to the General Assembly, specifying the content and scope of the discrepancy.**

31.2 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 10 Number 36 of the Internal Regulations of the Audit Committee. Likewise, it is enshrined in Article 20 Number 36 of the Internal Regulations of the Board of Directors.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

31.3 The operations with or between **Related Parties, including operations among companies of the Conglomerate that, through objective parameters – such as volume of the operation, percentage of assets, sales or other indicators – are classified as material by the**

Company, will include detailed public financial information, as well as reference to off-shore operations conducted.

31.3 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: Operations between Related Parties are reported in the Notes to the Financial Statements at the end of the fiscal period, as well as in the Management Report.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	31.12.2011
Dates of Modification	27.03.2015

Measure No. 32: Information to Markets

32.1. In the framework of the Information Disclosure Policy, the Board of Directors (or the Audit Committee) **adopts the Measures necessary to ensure that all the financial and non-financial information about the Company is transmitted to the financial and capital markets**, required by current legislation, in addition to all that other information that is considered relevant for investors and clients.

32.1 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This is regulated in Article 8 of the Information Disclosure Policy. Also, the Company has a Corporate Legal Area that, together with the Investor Relation Area, is responsible for reporting to the market in a timely, appropriate manner.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

32.2. The Company's Webpage is user-friendly, so that it is easy for users to access information associated with or related to Corporate Governance.

32.2 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: This information is found in the link entitled INVESTORS, on the Company's Webpage.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	01.12.2010
Dates of Modification	18.12.2015

32.3. The Company's Webpage includes, at least, the links dealt with in Recommendation 32.3.

32.3 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain: The Company Webpage includes the links referred to in this Recommendation.</p>
<p>NO: Explain:</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	01.12.2010
Dates of Modification	18.12.2015

32.4. The supports that the Company uses to communicate information to the markets in general are documents that can be downloaded, printed and shared.

32.4 Is the Measure Implemented? YES N/A

<p>YES: Briefly Explain: The support documents with information for the markets may be accessed through the Company's Webpage, where they may be downloaded and printed.</p>

NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	01.12.2010
Dates of Modification	18.12.2015

32.5. If the Company is large and complex, annually it publishes on the Webpage **an explanatory report on the organization, methods and procedures of the Control Architecture** implemented to provide correct, safe financial and non-financial information, safeguard the entity's assets and the efficiency and safety of its operations. The information on the Control Architecture is complemented with a Risk Management Report.

32.5 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
NO: Explain: The Annual Risk Management Report meets the parameters required in this Recommendation. It will be presented for approval to the ordinary Assembly of Shareholders to be held in March 2016.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	

Measure No. 33: The Annual Corporate Governance Report

33.1. The Company prepares an annual Corporate Governance Report. The Board of Directors is responsible for its content, prior to the review and favorable report of the Audit Committee, which is presented together with the rest of the documents at the close of the fiscal period.

33.1 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:

<p>NO: Explain: The Annual Corporate Governance Report meets the parameters required in this Recommendation. It will be presented for approval to the ordinary Assembly of Shareholders to be held in March 2016.</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	
Dates of Modification	

33.2. The Company's Annual Corporate Governance Report is not a mere transcription of the rules of Corporate Governance, included in the Bylaws, internal regulations, codes of good governance or other corporate documents. It does not aim to describe the Company's governance model, but explain the reality of its operation and the relevant changes during the fiscal period.

33.2 Is the Measure Implemented? YES NO N/A

<p>YES: Briefly Explain:</p>
<p>NO: Explain: The Annual Corporate Governance Report meets the parameters required in this Recommendation. It will be presented for approval to the ordinary Assembly of Shareholders to be held in March 2016.</p>
<p>N/A: Specify the rules that prevent adopting the recommendation:</p>

Date of Implementation	
Dates of Modification	

33.3. The Company's Annual Corporate Governance Report contains information at the end of the fiscal period that **describes the manner in which the Corporate Governance recommendations adopted by the Company were met and the principal changes produced.**

The structure of the Company's Annual Corporate Governance Report is aligned with the scheme contemplated in Recommendation 33.3.

33.3 Is the Measure Implemented? YES NO N/A

YES: Briefly Explain:
NO: Explain: The Annual Corporate Governance Report meets the parameters required in this Recommendation. It will be presented for approval to the ordinary Assembly of Shareholders to be held in March 2016.
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	
Dates of Modification	