

## **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:**  
JUAN LUIS ARISTIZÁBAL VÉLEZ

**REPORT PERIOD:** JANUARY TO DECEMBER, 2017

**REPORT DATE:** JANUARY 31, 2018

## 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 ☐

**YES: Briefly Explain:**  
 The principle of equal treatment is regulated in the Code of Good Corporate Governance chapter 7 No. 1, which indicates that the Company and its administrators guarantee the respect for this principle. Likewise, it establishes rights in favor of the shareholders, such as receiving information from the company timely and with equal detail, to resolve consultations before and during the meetings of the General Assembly, present proposals for consideration of the Board of Directors and request a call of the General Assembly. These rights must be exercised in the terms indicated in the Code of Good Corporate Governance, which is published on the company's website:  
<http://www.conconcreto.com/documentos-corporativos-en>.

**NO: Explain:**

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

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 ☐

**YES: Briefly Explain:**  
 The procedure established by the company to communicate with the shareholders, is regulated in the Code of Good Corporate Governance chapter 7 No. 2, which establishes the regulation of information accessibility. Said regulation respects the principle of equal treatment regarding timely and truthful disclosure of financial and non-financial information of the company, also indicates the procedure through which the shareholders can resolve frequently asked questions or contact directly with the shareholder attention office for the purposes of resolving concerns, as well as informing about the different communication

channels through which the company reveals information to the market. These procedures are found published on the company's website: <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> .
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

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 ☐

**YES: Briefly Explain:**  
 The Code of Good Corporate Governance chapter 7 No. 1, points out that the social capital is divided in common, nominative shares, which confer on their holders equal rights in the social assets and in the benefits that are distributed, as well as one vote per share in the deliberations of the General Assembly of Shareholders, everything which is published on the company's website: <http://www.concreto.com/documentos-corporativos-en>.  
  
 Also, in the link <http://www.concreto.com/composicion-accionaria-en>, can be found information regarding the shares in circulation and reserve, among other information related to the share which could be of interest for investors.

**NO: Explain:**

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

Date of Implementation	25.03.2011
Dates of Modification	15.12.2016

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 ☐

**YES: Briefly Explain:**  
 The Company Bylaws in article 31 paragraph 2 and article 42 No. 21, establish that in any operation that may entail dilution of the minority shareholders, it will be the obligation of the Board of Directors to make a detailed report of the operation with the opinion of an independent expert advisor. This report will be available for shareholders prior to the General Assembly where the operation will be discussed, in the same terms established for the right of inspection. These regulations are

published on the website of the society: <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> .	
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. 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 ☐

<b>YES: Briefly Explain:</b> The company has the web page <a href="http://www.conconcreto.com">www.conconcreto.com</a> , in Spanish and English. On this page there is a link called "Investors", where the financial and non-financial information of the company is located. Inside, there is a section called "Corporate Governance" where information of the governing bodies of the company, the corporate documents and other information of interest is published. In this site also, there are links to access the annual and quarterly financial information, the annual management report, Share information, relevant information, services for shareholders and Contact information.	
NO: Explain:	
N/A: Specify the rules that prevent adopting the recommendation:	

Date of Implementation	25.03.2011
Dates of Modification	15.12.2016

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:**  
The Code of Good Corporate Governance in Chapter 7 No. 2.3, establishes the communication channels provided by society for that shareholders can express their opinions or raise their concerns and suggestions, all of which is published in the Company website: <http://www.concreto.com/documentoscorporativos-en>.  
Likewise, on the company's website <http://www.concreto.com/inversionistas-en>, there is an access link called "Investor Services" with information of interest in relation to the share and its coverage, dividends, certificates, Frequently asked questions among others. Finally, the company has a department called "Investor Relations", with whom the shareholders can contact permanently.

**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 ☐

**YES: Briefly Explain:**  
The company holds a quarterly earnings release via streaming through an access link from the website of the Company, where the CEO exposes the financial results and the news of the period. On the following link <http://www.concreto.com/Informacion-trimestral-en>, we publish the financial statements, the presentation used in the earnings release and the webcast among other documents of interest.

**NO: Explain:**

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

Date of Implementation	25.03.2011
Dates of Modification	09.11.2016

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

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NO

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N/A

☐

YES: Briefly Explain:

NO: Explain:  
The Company only issues equity securities.

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

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:**  
The procedure for a group of shareholders representing at least 5% of the capital to request special audits to be conducted is regulated in the Corporate Bylaws in Article 58, which indicates that the request must be made through a letter to the President of the Board of Directors, who will present it to the Board of Directors in full to decide on the feasibility of the audit, communicating through a letter to the applicants the decision adopted by the Board of Directors. The rules applicable to the procedure in Mention can be found in the following link:  
<http://www.concreto.com/documentos-corporativos-en>.

**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:**  
Article 58 of the bylaws regulates the detailed procedure to request specialized audits. It also regulates the obligation of the company, through its Board of Directors, to answer via letter to the requesting shareholders, the form of designation of whom will perform the audit, determining who should assume the cost of the same and the precise deadlines for each of the stages or steps of the process. The detail of it can be consulted in  
<http://www.concreto.com/documentos-corporativos-en>.

**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 ☐

<b>YES: Briefly Explain:</b> It is indicated in the Internal Regulations of the Board of Directors in article 11 No. 15, which is published in the company's website in the following link: <a href="http://www.conconcreto.com/junta-directiva-en">http://www.conconcreto.com/junta-directiva-en</a> There is a communication from the Board members where they have expressly accepted this measure.
<b>NO: Explain:</b>  
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>  

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 ☐

<b>YES: Briefly Explain:</b> 
<b>NO: Explain:</b> The structure of the Organization which has the Conglomerate is published on the company's website. The Company is working on a policy of interrelation for the companies of the conglomerate, which will be presented for approval by the Board of Directors.
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>  

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:  
The company is working in a frame of reference of institutional relations that includes the recommendation that deals with this measure. It will be presented to the Board of Directors for its consideration and approval.

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:  
The bylaws of the company establish that the differences that occur to the shareholders among themselves or with the company for reasons exclusively related to these bylaws, its development or interpretation, during the validity of the company due to its dissolution or during the process of liquidation, will be resolved by an Arbitration Court. The regulation of this mechanism is indicated in Corporate Bylaws article 14, which is published on the company's website at the following link: <http://www.conconcreto.com/documentos-corporativos-en>.

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:  
The Company Bylaws in its article 37 literal a, m and f, incorporate as functions of the General Assembly of Shareholders the functions indicated in this recommendation. Also, the paragraph of the same article indicate that these functions are of exclusive and non-delegable nature of the General Assembly of Shareholders. The functions of the Assembly can be consulted in the Company Bylaws, which are published in the Company website:  
<http://www.conconcreto.com/documentos-corporativos-en>.

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 regulation of the General Assembly of Shareholders published on its website, which can be accessed through the link <http://www.conconcreto.com/asamblea-de-accionistas-en>  
There it is regulated; the call, assistance, the information that is made available to shareholders, development of the meeting and the rules regarding the participation and interventions of the shareholders in the meetings of the assembly, among others.

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 ☐

<b>YES: Briefly Explain:</b> The Company Bylaws contemplate that ordinary meetings of the General Assembly of Shareholders shall be convened with no less than 30 common days in advance and for extraordinary meetings with no less than 15 common days in advance. The rules regarding the call to meetings of the highest social body are found in the Bylaws Articles 31 and the Internal Regulations of the General Assembly of Shareholders chapter first article 4, which are published on the company's website in the following links: <a href="http://www.concreto.com/documentos-corporativos-en">http://www.concreto.com/documentos-corporativos-en</a> and <a href="http://www.concreto.com/asamblea-de-accionistas-en">http://www.concreto.com/asamblea-de-accionistas-en</a> respectively.	
NO: Explain:	
N/A: Specify the rules that prevent adopting the recommendation:	
Date of Implementation	27.03.2015
Dates of Modification	18.12.2015

10.2. 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 ☐

**YES: Briefly Explain:**  
 It is enshrined in article 31 of the Bylaws, in the same sense, in the Internal Regulations of the General Assembly of Shareholders, it is indicated that the call may be made either through electronic means, written communication addressed to each one of the shareholders, to the address registered in the books of the Company, through publication on the Company's website, by notice published in a national newspaper or through social networks. The regulation can be accessed in the following link: <http://www.concreto.com/asamblea-de-accionistas-en>  
  
 The company makes the announcement through publication in two newspapers of widespread circulation, the market is warned of this fact by the mechanism of relevant information reporting, the call is published on the web page of the Company, in a tab called "Assembly" where investors can find the information related to it. Is also included during the days prior to the meeting, a pop-up that appears immediately upon access to the company's website with the information regarding the meeting. On Twitter there is a publication of the place, date and time of the meeting to be held, thus guaranteeing a wide dissemination and publicity of the call.

**NO: Explain:**

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

<b>Date of Implementation</b>	27.03.2015
<b>Dates of Modification</b>	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
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NO
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N/A
☐

**YES: Briefly Explain:**  
 The Corporate Bylaws in article 31 and the Internal Regulations of the General Assembly of Shareholders in the first chapter, article 4, incorporate this measure, which can be consulted in the following links: <http://www.concreto.com/documentos-corporativos-en> and <http://www.concreto.com/asamblea-de-accionistas-en> respectively.  
 In advance of the meeting of the Assembly, the society publishes on its website a link that is available called "Assembly". The call, which includes the agenda of the meeting and the proposed agreements that the Board of Directors will put into consideration of the Shareholders Assembly; these proposed agreements can include a suggestion from this body to shareholders about the meaning of your vote.

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   ☐

<b>YES: Briefly Explain:</b> The Corporate Bylaws in its article 31 paragraph 2, establishes for the case of improper excision, the respective point must be included in the agenda of the call. Likewise, it indicates that the administration should prepare a report on the reasons for the proposal which will be available to shareholders for the term of the call, which must be done with at least 30 days common in advance of the meeting. The regulations regarding this measure are in the following link on the company's website: <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> .	
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   ☐

<b>YES: Briefly Explain:</b> The measure is regulated in the Bylaws in article 31, which states that the order of the day will be indicated in the call. Also, in the call for the General Assembly of Shareholders, the administration always chooses not to include imprecise or general points, such as "propositions and
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several", leaving the possibility for shareholders to raise questions or make proposals during the meeting of the assembly at the end under an item on the agenda called "proposals of the shareholders". The statutes can be consulted on the company's website through the following link: <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> .
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: The functions of the Shareholders' Assembly include to reform the company's bylaws, for which you must vote separately each article or group of articles that are substantially independent. It is also enshrined that an article will be voted separately if a shareholder or group of shareholders, representing at least five percent (5%) of the share capital, request it during the Assembly. The measure is regulated in the Corporate Bylaws in article 37, letter d and in the Regulation of the General Assembly of Shareholders in Article 4. They are published on the company's website on the following links: <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> and <a href="http://www.conconcreto.com/asamblea-de-accionistas-en">http://www.conconcreto.com/asamblea-de-accionistas-en</a> .
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:  
Within the 5 common days following the publication of the call, shareholders shall have the right, regardless of shareholding, to propose one or more points to be discussed within the agenda of the ordinary meeting of the General Assembly of Shareholders or to submit new Proposals for Agreement, as long as these requests are accompanied by a justification. Applications will be submitted through the office of Attention to the Shareholder, who will present the request to the Board of Directors for analysis. The procedure of attention to requests of the shareholders is regulated in the Bylaws paragraph 1 article 31, document that has been published on the company's website and which can be consulted in the following link:  
<http://www.conconcreto.com/documentos-corporativos-en>.

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:  
If once the processing of request made by the Shareholders has been completed, the Board of Directors finds reasons to dismiss the request, the agenda will not be modified, nor shall the Proposed Agreement be included, and this will be answered in writing to him or the proposing shareholders, when the petition has been filed by a number of shares representing at least five (5%) percent of the Company's subscribed capital. The measure is regulated in the Corporate Bylaws in article 31 paragraph 1 and in article 42 No. 22 and 23, whose procedure can be

consulted	through	the	following	link:
<a href="http://www.concreto.com/documentos-corporativos-en">http://www.concreto.com/documentos-corporativos-en</a> .				
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	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Implemented?									

<b>YES: Briefly Explain:</b> Within the functions of the Board of Directors is to publish the complement to the call of the General Assembly of Shareholders, in the event that the request of a shareholder to add a proposal to the agenda or Agreement is accepted by this body. This publication must be made after the 5 common days that the shareholders have to submit applications and within 15 common days prior to the date on which the ordinary meeting of the General Assembly of Shareholders takes place. The above procedure is regulated in the Corporate Bylaws article 31, paragraph 1 and article 42 No. 24, which can be consulted in the following link: <a href="http://www.concreto.com/documentos-corporativos-en">http://www.concreto.com/documentos-corporativos-en</a> .	
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 ☐

<b>YES: Briefly Explain:</b> Shareholders can request new agreement proposals following the same procedure established for the introduction of new points on the agenda. The procedure is regulated in the Corporate Bylaws in Article 31 paragraph 1 and in article 42 No. 24, published on the website of the company through the following link: <a href="http://www.concreto.com/documentos-corporativos-en">http://www.concreto.com/documentos-corporativos-en</a> .
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

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 ☐

<b>YES: Briefly Explain:</b> The Internal Regulations of the General Assembly of Shareholders in article 4 notes that the documents and information related to the points of the meeting agenda, will be available to shareholders, both physically, at the company's facilities, and electronically, on the corporate website. The internal regulation of the General Assembly of Shareholders can be consulted on the company's website through the following link: <a href="http://www.concreto.com/asamblea-deaccionistas-en">http://www.concreto.com/asamblea-deaccionistas-en</a> .
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

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:**  
The company has arranged communication channels with shareholders through which they can request information or clarifications of the agenda, documentation received or public information provided by the company. Shareholders may use the Contact button on the company's website, call by phone or email [ir@conconcreto.com](mailto:ir@conconcreto.com) to reach the Investor Relations Office. The procedure established for the exercise of this right is regulated in the Corporate Bylaws in the article 38, published on the company's website in the following link: <http://www.conconcreto.com/documentos-corporativos-en>.

**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:**  
Article 38 of the Corporate Bylaws establishes that the request for information can be denied by the company when it considers that it is: (i) unreasonable, (ii) irrelevant to know the progress of the interests of company, (iii) confidential (includes privileged information, and the scope of the securities market, including industrial secrets, the operations in progress whose good purpose for the society depends substantially on the secrecy of its operation), and (iv) others whose disclosure puts in imminent and serious danger the competitiveness of the company. The regulation upon requests for information regarding the order of the day can be consulted in the bylaws of the company through the following link: <http://www.conconcreto.com/documentos-corporativos-en>.

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 ☐

<b>YES: Briefly Explain:</b> In compliance with the principle of equal treatment, the company has established that if by virtue of the right to request information, a shareholder is put in advantage with the information that is provided, the company will guarantee access to said information to the other shareholders concomitantly. The measure is enshrined in the Corporate Bylaws in the article 38, published on the website in the following link: <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> .	
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 ☐

<b>YES: Briefly Explain:</b> The Corporate Bylaws in article 16 indicate that shareholders can be represented at meetings of the General Assembly through a proxy granted in letter subject to legal requirements, being the requirements of law the only restrictions that are imposed against to the shareholder's right to be represented at the meeting. In the same sense, this right is established in the Internal Regulation of the General Assembly of	
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Shareholders, article 7, also indicating that the company will make a proxy format available to shareholders on the company's website. Both the Bylaws and the Internal Regulation of the General Assembly of Shareholders are published in the company's website and can be consulted in the following links: <a href="http://www.concreto.com/documentos-corporativos-en">http://www.concreto.com/documentos-corporativos-en</a> and <a href="http://www.concreto.com/asamblea-de-accionistas-en">http://www.concreto.com/asamblea-de-accionistas-en</a>	
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	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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YES: Briefly Explain: The company makes proxy formats available to shareholders, which include the items on the agenda and proposals for agreement, in order that the shareholder may indicate, in each case, the Sense of his vote to his representative. The proxy models are published on the company's website prior to the General Assembly, on the link intended for the purpose called "Assembly".	
NO: Explain:	
N/A: Specify the rules that prevent adopting the recommendation:	

Date of Implementation	27.03.2015
Dates of Modification	30.04.2016

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

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NO

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N/A

☐

YES: Briefly Explain:  
The measure is regulated in the Internal Regulation of the General Assembly of Shareholders Article 12 and in the Internal Regulation of the Board of Directors article 11 No. 14, where it is stated as a duty of the president of the company and the members of the Board of Directors, especially of the chairman of the Committees, attend the meetings of the General Assembly of Shareholders. Both regulations can be consulted on the company's website in the following links:  
<http://www.concreto.com/asamblea-de-accionistas-en> and  
<http://www.concreto.com/junta-directiva-en>

NO: Explain:

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

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 ☐

YES: Briefly Explain:  
The Corporate Bylaws in article 42 state that the Board of Directors delegate the ordinary course of business on the Senior Management, concentrating its activity on the general functions of strategy, supervision, government and control. Said article in numeral 19 points out that some of the functions can be delegated to the president as long as they are not prohibited by law or by the statutes of society, finally numeral 52 indicates the functions that cannot be delegated to Senior Management, which relate to the ones indicated in this measure. The statutes of the company are published on the website and can be consulted in the following link:  
<http://www.conconcreto.com/documentos-corporativos-en>.

NO: Explain:

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

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 ☐

YES: Briefly Explain:  
The Corporate Bylaws in paragraph 1 of article 42, have adopted this measure by establishing that the functions of the Board of Directors of the company, by acting as the parent of the business group, have a group approach and are developed through general policies, Guidelines or requests for information that respect the balance between the interests of the parent and the subordinates. The statutes of the company can be consulted in the link:  
<http://www.conconcreto.com/documentos-corporativos-en>.



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. 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 or 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	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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YES: Briefly Explain: The company has an Internal Regulation of the Board of Directors posted on their website in the link <a href="http://www.concreto.com/junta-directiva">http://www.concreto.com/junta-directiva</a> , which aims to collect the principles, rules and procedures that govern the functioning of the Board of Directors, thereby seeking to facilitate management and give greater transparency, effectiveness and certainty to their actions, indicating that the regulation will be applicable to the Board of Directors as a collegiate body and its members.	
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	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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YES: Briefly Explain: The Board of Directors of the company consists of 10 principal counselors, elected by the General Assembly for periods of 2 years, freely removable or re-eligible. Article 40 of the statutes establish that there will be no substitutions in the Board of Directors. The Company bylaws can be consulted on the link:	
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<a href="http://www.concreto.com/documentos-corporativos-en">http://www.concreto.com/documentos-corporativos-en</a>	
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 ☐

<b>YES: Briefly Explain:</b> The Corporate Bylaws of the company in article 42, paragraph 2, classify the members of the Board of Directors according to their origin in executive members, independent and patrimonial. In the annual corporate governance report and on the company's website in the link regarding the Board of Directors, it is identified the origin of each member of the governing body according to the mentioned classification.	
NO: Explain:	
N/A: Specify the rules that prevent adopting the recommendation:	

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 ☐

<b>YES: Briefly Explain:</b> The company has established as a function of the Appointment and Retributions Committee to determine the functional and personal profiles
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required for the Board of Directors, as well as evaluate the time required to perform adequately in the position. For the election of Board of Directors in 2017, the Committee conducted an evaluation of the profiles required and the dedication of the required time, throwing as result the convenience of continuing with the same composition of the Board, for which his reelection was recommended. The present recommendation is enshrined in article 5, No. 9 of the Internal Regulations of the Appointment and Retributions Committee and in Article 22 of the Internal Rules of the Board of Directors numeral 9, which can be consulted in the link: <a href="http://www.concreto.com/junta-directiva-en">http://www.concreto.com/junta-directiva-en</a> .
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

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   ☐

<b>YES: Briefly Explain:</b> The Internal Regulations of the Board of Directors in Article 2, establishes that the professional profiles to form the Board of Directors are reported, through the website to the shareholders, in such a way that the different actors, mainly controlling shareholders, significant, families, groups of shareholders and shareholders institutions, if they exist, and the Board itself, are in conditions to identify the most suitable candidates. The rules indicated can be consulted in the link: <a href="http://www.concreto.com/junta-directiva-en">http://www.concreto.com/junta-directiva-en</a> .
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

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:**  
The Internal Regulations of the Appointment and Retribution Committee in article 5, No. 24, establishes as duty of said Committee to determine the internal procedure to evaluate incompatibilities and legal disabilities and the adequacy of the candidate to the needs of the Board of Directors, as well as the obligation to verify objective requirements to be an independent member. In the same sense, this recommendation is enshrined in the Internal Regulations of the Board of Directors in article 22, No. 24, which may be consulted in the link:  
<http://www.conconcreto.com/junta-directiva-en>.

**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:**  
The recommendation is enshrined in the Internal Regulations of the Board of Directors in article 3, which indicates the conditions that must meet the person who holds the Independent membership. Likewise, the members of the Board of Directors that have said quality have sent the company a declaration of independence, where they have committed themselves to report any circumstance that may affect their status as independent. The Internal regulations of the Board of Directors can be consulted in the link:  
<http://www.conconcreto.com/junta-directiva-en>.

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 ☐

<b>YES: Briefly Explain:</b> The company has determined as a function of the Appointment and Retributions Committee, to support the president of the Board of Directors by centralizing and coordinating, prior to the General Assembly, the process of forming the administrative body. This obligation is enshrined in the Internal Regulation of the Board of Directors in article 22, No. 25 and in the Internal Regulation of the Appointment and Retributions Committee in article 5, No. 25. These regulations can be consulted on the company's website at the link: <a href="http://www.conconcreto.com/junta-directiva-en">http://www.conconcreto.com/junta-directiva-en</a> .
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 ☐

YES: Briefly Explain:  
The Internal Regulations of the Board of Directors in Article 3, establishes that the evaluation of the suitability of the candidates will be carried out prior to the holding of the General Assembly of Shareholders, so that shareholders have sufficient information about the candidates proposed to integrate it, timely for an adequate evaluation. The internal regulations of the Board of Directors can be consulted in the link: <http://www.conconcreto.com/junta-directiva-en>.

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. 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 ☐

YES: Briefly Explain:  
The recommendation is enshrined in the Internal Regulations of the Board of Directors in article 3, which establishes that at least 30% of the members will be Independent, together with the Patrimonial Members shall be a majority respecting the Executive Members. For the 2017 period only 1 member of the 10 that make up the Board of Directors has the quality of executive. This information is disclosed in the annual corporate governance report on the company's website through the link: <http://www.conconcreto.com/documentos-corporativos-en>  
The Internal regulations of the Board of Directors can be consulted in the link: <http://www.conconcreto.com/junta-directiva-en>.

NO: Explain:

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

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 ☐

<b>YES: Briefly Explain:</b> The recommendation is enshrined in the Internal Regulations of the Board of Directors in article 3, which establishes that at least 30% of the members will be Independent. For the period of 2017, 30% of the members of the Board of Directors have the quality of Independents, thus fulfilling the recommendation. The independent quality of the members of the Board of Directors is revealed on the entity's website in the annual corporate governance report, which can be consulted in <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> . The regulation Board of Directors can be consulted on the following link: <a href="http://www.conconcreto.com/junta-directiva-en">http://www.conconcreto.com/junta-directiva-en</a> .
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

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 ☐

<b>YES: Briefly Explain:</b> The company has incorporated the functions set out in this recommendation in the Internal Regulations of the Board of Directors for its President on Article 13. The rules Board of Directors can be consulted at the following link: <a href="http://www.conconcreto.com/junta-directiva-en">http://www.conconcreto.com/junta-directiva-en</a> .
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

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

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NO

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N/A

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YES: Briefly Explain:  
The Internal Regulations of the Board of Directors on article 13, state that taking into account the additional obligations that the president of the Board has over the other members which imply greater responsibilities and dedication of time, his remuneration may be greater than the remuneration of the other board members at discretion of the General Assembly of Shareholders. The internal regulations of the Board of Directors can be consulted in the link:  
<http://www.conconcreto.com/junta-directiva-en>.

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

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NO

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N/A

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YES: Briefly Explain:  
The company has determined that the secretary of the Board of Directors will be the General Secretary of the Company. To safeguard his independence from the President of the Company, its appointment and removal shall correspond to the Board, with previous proposition made by the President of the company himself, with prior report to the Appointments and Retribution Committee, which may or may not be member of the board. The above is regulated in the in the Internal Regulations of the Board of Directors in article 14, which can be consulted in the link: <http://www.conconcreto.com/junta-directiva-en>.

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 ☐

<b>YES: Briefly Explain:</b> In the Internal Rules of the Board of Directors in its article 14 it is established the functions entrusted to the General Secretary, in which are found those indicated in this recommendation. The rules of the Board of Directors can be consulted in the following link: <a href="http://www.concreto.com/junta-directiva-en">http://www.concreto.com/junta-directiva-en</a> .	
<b>NO: Explain:</b>	
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>	
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 ☐

<b>YES: Briefly Explain:</b> It is the function of the Board of Directors to set up an Appointment and Retributions Committee, in compliance with the mandate established in the Social Statutes in article 42 No. 37, and in the articles 69 - 73. In the same sense, it is indicated that the company will regulate the mentioned committee in the Internal Regulations of the Board of Directors in Article 16. Finally, the internal rules of the Appointments and Retribution Committee regulates the operation and obligations of the members of said committee. Information regarding the Appointment and Retributions Committee, as well as its own rules can be consulted on the website of the company in the link: <a href="http://www.concreto.com/comites-de-junta-directiva-en">http://www.concreto.com/comites-de-junta-directiva-en</a> .
<b>NO: Explain:</b>

N/A: Specify the rules that prevent adopting the recommendation:
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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><b>YES: Briefly Explain:</b></p> <p>The Society has not constituted an Independent Risk Committee. In spite of the above, the functions of the Risk Committee have been delivered to the Audit Committee, as can be seen in the Internal Regulations of the Audit Committee in article 10, published on the company's website in the link: <a href="http://www.conconcreto.com/comites-de-junta-directiva-en">http://www.conconcreto.com/comites-de-junta-directiva-en</a>.</p>
<p><b>NO: Explain:</b></p>

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
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NO
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N/A
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**YES: Briefly Explain:**

It is the function of the Board of Directors to establish a Corporate Governance Committee, in compliance with the mandate established in the Social Statutes in article 42 No. 37, and in articles from 64 to 68. In the same sense indicates that the society will have the aforementioned committee in the Internal Regulations of the Board of Directors in article 16. Finally, in the Internal Regulations of the Corporate Governance Committee are specified the operation and obligations of the members of said committee. The information regarding the Corporate Governance Committee, as well as its regulations can be consulted in the website of the society in the link:

<http://www.conconcreto.com/comites-de-junta-directiva-en>.

**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
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NO
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N/A
☐

**YES: Briefly Explain:**

The Risk and Audit Committees work as one, under the Audit Committee name. The functions in charge of this committee can be consulted on the internal rules of the Audit Committee published on the website of the company in the link:

<http://www.conconcreto.com/comites-de-junta-directiva-en>.

**NO: Explain:**

N/A: Specify the rules that prevent adopting the recommendation:	
Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.9. 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 ☐

<b>YES: Briefly Explain:</b> Each committee has its own internal regulations that are published on the company's website, which may be consulted in the following link: <a href="http://www.conconcreto.com/comites-de-junta-directiva-en">http://www.conconcreto.com/comites-de-junta-directiva-en</a> .	
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 ☐

<b>YES: Briefly Explain:</b> This provision is enshrined in the internal regulations of the Board of Directors Committees, as well as in the Internal Regulations of the Board of Directors articles 20, 21 and 22. The information regarding the composition of the committees is published on the company's website in the following link: <a href="http://www.conconcreto.com/comites-de-junta-directiva-en">http://www.conconcreto.com/comites-de-junta-directiva-en</a> .	
NO: Explain:	

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

<b>YES: Briefly Explain:</b>  Articles 12 and 16 of the Internal Regulations of the Board of Directors, indicate that the Board of Directors and / or any of its members may request the opinion of independent specialists in cases where it deems convenient. They will be hired according to the criteria and the general hiring policies of the company. Likewise, members of the Senior Management can attend the meetings of the Committees, depending on the matter to provide accompaniment when considered necessary. The Internal Regulations of the Board of Directors can be consulted in the Company’s website in the link: <a href="http://www.concreto.com/junta-directiva-en">http://www.concreto.com/junta-directiva-en</a> .
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

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   ☐

<b>YES: Briefly Explain:</b>  The Internal Regulations of the Board of Directors in article 16 establish that, for the integration of its Committees, the Board of Directors takes consideration of the profiles, knowledge and professional experience of the members in relation to the subject matter of the Committee. The Internal Regulations of the Board of Directors can be consulted in the Company’s website in the link:
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<a href="http://www.concreto.com/junta-directiva-en">http://www.concreto.com/junta-directiva-en</a> .	
NO: Explain:	
N/A: Specify the rules that prevent adopting the recommendation:	

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.13. 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 ☐

<b>YES: Briefly Explain:</b> In accordance with the established on the Internal Regulations of; the Appointment and Retributions Committee in Article 4, the Corporate Governance Committee in article 4 and the Audit Committee in the Article 9, the meetings will have a record drawn up, the copy of which will be sent to all the members of the Board of Directors of the company, to whom in addition, are given a brief report on the issues discussed. The regulations of the internal committees of the Board of Directors may be consulted in the following link: <a href="http://www.concreto.com/comites-de-junta-directiva-en">http://www.concreto.com/comites-de-junta-directiva-en</a> .	
NO: Explain:	
N/A: Specify the rules that prevent adopting the recommendation:	

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.14. 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 ☐

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

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: Article 5 of the Internal Rules of the Audit Committee establishes that the main task of the Audit Committee is to attend the Board of Directors in its function of supervision as the Internal Control System, by evaluating the accounting procedures, the relationship with the Statutory Auditor and, in general, the revision of the control environment of the Company, including the audit of the risk management implemented by society. The regulation of Audit Committee can be consulted in the following link: <a href="http://www.conconcreto.com/comites-de-junta-directiva-en">http://www.conconcreto.com/comites-de-junta-directiva-en</a> .
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:**  
The recommendation is enshrined in Article 20 of the Internal Regulations of the Board of Directors. In compliance with the fore mentioned the members of the Audit Committee have accounting, financial and associated knowledge skills, which allows them to pronounce with rigor on the topics of the Committee with a sufficient level to understand its scope and complexity. The internal regulations of the Board of Directors are published on the Company's website in the link: <http://www.conconcreto.com/junta-directiva-en>.

**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:**  
The bylaws incorporate this recommendation when indicating that through the chairman of the Shareholders Assembly it will be possible to request specific information to the chairman of the Audit Committee, respecting aspects of the work carried out by the Audit Committee. This regulation is found in the Corporate Bylaws in the article 37 literal n, published on the website of the company in: <http://www.conconcreto.com/documentos-corporativos-en>.

**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:**  
The functions attributed to the Audit Committee indicated in this recommendation are enshrined in the Internal Regulation of the Audit Committee in article 10 and in the Internal Regulations of the Board of Directors in article 20. These regulations are found published on the company's website and can be consulted in the following links:  
<http://www.conconcreto.com/junta-directiva-en> and  
<http://www.conconcreto.com/comites-de-junta-directiva-en>.

**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:**  
The company has established as the main objective of the Appointment and Retribution Committee to support the Board of Directors in the exercise of its decision-making or advisory associated with the matters of appointment and remuneration of its own members and the Senior Management. The present disposition is enshrined in Article 5 of the Internal Regulations of the Appointments and Retribution Committee and in Article 22 of the Internal Regulations of the Board of Directors. The regulation of the Appointments and Retribution Committee can be consulted in the Company's website in the link:  
<http://www.conconcreto.com/comites-de-junta-directiva-en>.

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
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NO
☐
N/A
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<b>YES: Briefly Explain:</b> This recommendation is enshrined in article 3 of the Internal Regulations of the Appointment and Retribution Committee, which establishes that some committee members must possess knowledge in strategy, human resources (recruitment and selection, hiring, training, administration and management of staff), wage policy and related matters, with a sufficient level to understand the scope and complexity that these subjects represent in the society. The internal regulation of the Board of Directors is published on the company's website in the link: <a href="http://www.concreto.com/junta-directiva-en">http://www.concreto.com/junta-directiva-en</a> .	
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
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NO
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N/A
☐

<b>YES: Briefly Explain:</b> The recommendation is enshrined in the Corporate Bylaws in article 37 literal O, which indicates that it may be requested, through the Chairman of the Shareholders Assembly, to the Chairman of the Committee of Appointments and Remuneration, information on aspects
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of the work done by the Committee. The Bylaws of the company may be consulted on the company's website in the link: <a href="http://www.concreto.com/documentos-corporativos-en">http://www.concreto.com/documentos-corporativos-en</a> .
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	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
YES: Briefly Explain: The functions attributed by this recommendation to the Appointment and Retribution Committee are enshrined in the Internal Regulations of said Committee in Article 5 and in the Internal Regulations of the Board of Directors in the Article 22. These regulations are published on the web page of the company and can be consulted in the following links: <a href="http://www.concreto.com/junta-directiva-en">http://www.concreto.com/junta-directiva-en</a> and <a href="http://www.concreto.com/comites-de-junta-directiva-en">http://www.concreto.com/comites-de-junta-directiva-en</a> .						
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	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
YES: Briefly Explain: They are under the responsibility of the Audit Committee that fulfills the functions of the Risk Committee. It is regulated in Article 10 of the Internal Rules of the Audit Committee published on the website in the following link: <a href="http://www.concreto.com/comites-de-junta-directiva-en">http://www.concreto.com/comites-de-junta-directiva-en</a> .						

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 ☐

<b>YES: Briefly Explain:</b> The functions of the Risk Committee are under the responsibility of the Audit Committee. This recommendation is regulated in the Article 37 literal n of the Corporate Bylaws, published on the Company's website in the link: <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> .	
NO: Explain:	
N/A: Specify the rules that prevent adopting the recommendation:	

Date of Implementation	27.03.2015
Dates of Modification	25.01.2016

18.25. 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 ☐

<b>YES: Briefly Explain:</b> The functions of the Risk Committee are under the responsibility of the Audit Committee. The functions of this committee are inscribed in Article 10 of the Internal Rules of the Audit Committee in the link to the company's website: <a href="http://www.conconcreto.com/comites-de-junta-directiva-en">http://www.conconcreto.com/comites-de-junta-directiva-en</a> .	
NO: Explain:	

N/A: Specify the rules that prevent adopting the recommendation:	
Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

18.26. 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 ☐

<b>YES: Briefly Explain:</b> The company has established that the main task of the Corporate Governance Committee is to assist the Board of Directors in its functions of supervision of initiatives of Good Corporate Governance adopted by society, as well as monitor the observance of the rules of Corporate Governance, periodically reviewing its compliance, recommendations and principles. The recommendation is enshrined in the Internal Regulations of the Corporate Governance Committee in article 5 and in the Internal Regulations of the Board of Directors in Article 21. These regulations are found published on the company's website and can be consulted in the following links: <a href="http://www.concreto.com/junta-directiva-en">http://www.concreto.com/junta-directiva-en</a> and <a href="http://www.concreto.com/comites-de-junta-directiva-en">http://www.concreto.com/comites-de-junta-directiva-en</a> .
<b>NO: Explain:</b>
N/A: Specify the rules that prevent adopting the recommendation:

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 ☐

<b>YES: Briefly Explain:</b> The functions attributed to the Corporate Governance Committee in this recommendation is enshrined in Article 5 of the Internal Regulation of the Corporate Governance Committee, which is published on the company's website in the link:
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<a href="http://www.concreto.com/comites-de-junta-directiva-en">http://www.concreto.com/comites-de-junta-directiva-en</a>	
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. 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 ☐

<b>YES: Briefly Explain:</b> In the Internal Regulations of the Board of Directors in article 13 No. 10, is established the obligation of the chairman of the board with the assistance of the general secretary and the president of the Company, to prepare 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 duration. The regulations of the Board of Directors can be consulted in the following link: <a href="http://www.concreto.com/junta-directiva-en">http://www.concreto.com/junta-directiva-en</a>	
NO: Explain:	
N/A: Specify the rules that prevent adopting the recommendation:	

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

19.2. 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 ☐

<b>YES: Briefly Explain:</b> Both in the Corporate Bylaws in Article 41 and in the Internal Regulations of the Board of Directors in Article 7, is established that the Board must meet ordinarily at least eight (8) times per year. For this reason, the Board of Directors in the last meeting of the year approves a chronogram of the meetings that will take place in the year following, without prejudice to the fact that it can meet in an additional number of occasions when estimated convenient. During the year 2017 the Board met on nine occasions. The statutes are found published on the website of the company in the link: <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> .	
<b>NO: Explain:</b>	
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>	

<b>Date of Implementation</b>	27.03.2015
<b>Dates of Modification</b>	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   ☐

<b>YES: Briefly Explain:</b> The recommendation is enshrined in the Corporate Bylaws in article 41 and in the Internal Regulations of the Board of Directors in Article 7, which indicates that at least one of the meetings of the year will have a focus clearly oriented to the definition and follow-up of the strategy of the society. These dispositions are found published on the company's website at the following links: <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> and <a href="http://www.conconcreto.com/junta-directiva-en">http://www.conconcreto.com/junta-directiva-en</a> .	
<b>NO: Explain:</b>	
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>	

<b>Date of Implementation</b>	27.03.2015
<b>Dates of Modification</b>	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 recommendation is regulated in Article 5 of the Internal Regulations of the Board of Directors, which establishes that, in the first meeting of the year, after its appointment, the Schedule of ordinary meetings throughout the year will be approved. However, the Board of Directors may meet on other dates than those provided in the annual calendar of sessions, when it so decides. The Internal regulations of the Board of Directors can be consulted on the web page of the Company through the link:  
<http://www.concreto.com/junta-directiva-en>.

**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:**  
The recommendation is enshrined in article 5 of the Internal Regulations of the Board of Directors, which indicates that the call to meetings of the Board of Directors will be with at least five calendar days in advance, also indicating that with the call will be sent information and / or documentation that will be treated during the respective meeting. The indicated regulation can be consulted in the following link:  
<http://www.concreto.com/junta-directiva-en>.

**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:**  
The responsibility to ensure the delivery, in a timely manner, of the information to the Members of the Board of Directors, directly or through the General Secretary, is assigned to the president of The Board under article 13 No. 7 of the Internal Regulation of the Board of Directors, which is published on the page web of the company in the link:  
<http://www.concreto.com/junta-directiva-en>.

**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:**  
Within the functions of the president of the Board of Directors is to define the agenda of the meetings, jointly with the president of the company, or independently if considered. The agenda will be structured according to parameters that allow following a logical order of the presentation, the issues and the debates. This recommendation is enshrined in article 13 No. 2 of the Internal Regulations of the Board of Directors, which is published on the company's website and can be consulted on the following link: <http://www.concreto.com/junta-directiva-en>.

**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

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NO

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N/A

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YES: Briefly Explain:

The recommendation is enshrined in article 23 of the Internal Regulations of the Board of Directors, which is published in the web page of the company and can be consulted at the following link:  
<http://www.conconcreto.com/junta-directiva-en>.  
Information corresponding to the year 2017 will be informed in the annual Corporate Governance report, which will comply with the parameters required in this measure and will be presented for approval by the assembly of shareholders at the ordinary meeting to be held in March 2018.

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

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NO

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N/A

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YES: Briefly Explain:

The recommendation is enshrined in article 19 of the Internal Regulations of the Board of Directors, which is published in the web page of the company and can be consulted at the following link:  
<http://www.conconcreto.com/junta-directiva-en>.  
In the annual corporate governance report are presented the results of the process of evaluation of the Board of Directors, which are disposed

for approval by the General Assembly of Shareholders at its ordinary meeting and is published on the Website of the society.	
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 ☐

<b>YES: Briefly Explain:</b> The measure is enshrined in Article 19 of the Internal Regulation of the Board of Directors, which is published on the website of the company and can be consulted on the following link: <a href="http://www.conconcreto.com/junta-directiva-en">http://www.conconcreto.com/junta-directiva-en</a> . The results of the evaluation are submitted in the annual corporate governance report which is published on the company's website.	
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 ☐

<b>YES: Briefly Explain:</b> The company has regulated the framework of action of the Board of Directors on its internal regulation. Said regulation in the Articles 11 and 12 establish the duties and rights of the members of the Board, complementing the regulatory framework applicable to this purpose. The
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aforementioned regulation can be consulted on the website of the Company on the following link: <a href="http://www.conconcreto.com/junta-directiva-en">http://www.conconcreto.com/junta-directiva-en</a> .
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 ☐

<b>YES: Briefly Explain:</b> The duties of diligence, loyalty, non-competition, secrecy and non-use of Assets are stated in Article 11 of the Internal Regulations of the Board of Directors, which can be consulted on the website of the Company on the following link: <a href="http://www.conconcreto.com/junta-directiva-en">http://www.conconcreto.com/junta-directiva-en</a> .
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 ☐

<b>YES: Briefly Explain:</b> The rights of information, to have the help of experts, to the remuneration and permanent induction and training are developed in Article 12 of the Internal Rules of the Board of Directors, which can be consulted on the company's website on the following link: <a href="http://www.conconcreto.com/junta-directiva-en">http://www.conconcreto.com/junta-directiva-en</a> .
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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

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 ☐

<b>YES: Briefly Explain:</b> The recommendation is enshrined in the Code of Good Corporate Governance in Chapter 5 No. 2, as well as in the Manual of Behavior and Corporate Ethics chapter 3. During the year 2017 the company's board of directors approved a conflict of interest policy, applicable to all employees of the organization, which identifies situations that can potentially generate conflict and how they must be managed. The mentioned documents are found published on the company's website in the following link: <a href="http://www.conconcreto.com/documentos-corporativos/en">http://www.conconcreto.com/documentos-corporativos/en</a> .	
NO: Explain:	
N/A: Specify the rules that prevent adopting the recommendation:	

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

21.2. 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 ☐

<b>YES: Briefly Explain:</b> It is regulated in article 17 of the Internal Regulation of the Board of Directors and in the Code of Good Corporate Governance Chapter 5 No. 2, differentiating between sporadic or permanent, and indicating the way to manage each one according to its characteristics. The Code of Good Corporate Governance and the Internal Regulation of the Board of Directors are published on the website of the society and can be consulted in the following links: <a href="http://www.conconcreto.com/documentos-corporativos/en">http://www.conconcreto.com/documentos-corporativos/en</a> and <a href="http://www.conconcreto.com/junta-directiva/en">http://www.conconcreto.com/junta-directiva/en</a>
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

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 ☐

<b>YES: Briefly Explain:</b> The members of the Board of Directors, Legal Representatives, members of Senior Management and other Directors of the Company have the duty to periodically inform the Board of Directors, direct or indirect relationships, that they maintain with other entities or structures belonging to the Group Business, the Company, suppliers, clients or with any other Interest Group from where there could be derived situations of conflict of interest, which influence their opinion direction or vote. This recommendation is enshrined in Article 17 of the Internal Regulation of the Board of Directors and in the Code of Good Corporate Governance Chapter 5 No. 1, which may be consulted in the following links: <a href="http://www.conconcreto.com/documentos-corporativos/en">http://www.conconcreto.com/documentos-corporativos/en</a> and <a href="http://www.conconcreto.com/junta-directiva/en">http://www.conconcreto.com/junta-directiva/en</a> .
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

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:**

It is enshrined in Article 42 of the Corporate Bylaws indicating that within the management report will be included the situations of conflict of interests, understood as those conflicts that would oblige the affected person to abstain from attending meetings and/or participating in a vote, in which the members of the Board of Directors and other Administrators are present. Likewise, the recommendation number 33.3. establishes as part of the annual Corporate Government Report the attributions of the Board of Directors on transactions with related parties and "situations of conflicts of interest. Both the management report and the Good Corporate Governance Report, are published on the website of the society, where such situations would be reported.

**NO: Explain:**

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

Date of Implementation	27.03.2015
Dates of Modification	27.03.2015

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:**

The definition of ‘Related Party’ corresponds to that indicated in the IAS 24 and is enshrined in the Code of Good Corporate Governance in the Sixth Chapter, No. 1, which can be consulted on the website of the company in the link:  
<http://www.conconcreto.com/documentos-corporativos-en>.

**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:  
The Sixth Chapter, No. 2 of the Code of Good Corporate Governance, defines the procedure for the valuation, approval and disclosure of transactions with related parties, which may be consulted on the website of the company in the link:  
<http://www.conconcreto.com/documentos-corporativos-en>.

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 ☐

YES: Briefly Explain:  
The aspects addressed in this recommendation are found in the Code of Good Corporate Governance on Chapter Six, No. 2, which can be consulted on the website of the company in the link:  
<http://www.conconcreto.com/documentos-corporativos-en>.

NO: Explain:

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



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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 adhesion 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

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NO

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N/A

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YES: Briefly Explain:  
The aspects addressed in this recommendation are found in the Code of Good Corporate Governance on Chapter Six, No. 2, which can be consulted on the website of the company in the link: <http://www.conconcreto.com/documentos-corporativos-en>.  
The disposition indicates that they will not require express approval by the Board of Directors; those operations carried out with parties recurrently linked, those that are part of the ordinary course of business, are carried out under contracts with standardized conditions, are made at market prices and their individual amount is not relevant to society.

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. 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

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NO

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N/A

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<b>YES: Briefly Explain:</b> It is stipulated in the Internal Regulations of the Appointment and Retributions Committee, article 5 No. 19. Additionally, the company has a remuneration policy for the Board of Directors approved by the Shareholders Assembly and which is published on the company's website: <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> . Finally, it is the General Assembly of Shareholders who determines the amount of the remuneration of the members of the Board of Directors for each year, as a fixed amount per attended meeting.
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

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 ☐

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

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

Date of Implementation	30.03.2016
Dates of Modification	30.03.2016

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 General Assembly of Shareholders.	
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 ☐

<b>YES: Briefly Explain:</b> 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 ☐

<b>YES: Briefly Explain:</b> The Corporate Bylaws in article 42 establish that the Board of Directors delegate the ordinary course of business on the Senior Management, concentrating its general functions on strategy, supervision, government and control. The Corporate Bylaws are published on the company's website in the link: <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> .	
<b>NO: Explain:</b>	
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>	

<b>Date of Implementation</b>	27.03.2015
<b>Dates of Modification</b>	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   ☐

<b>YES: Briefly Explain:</b> The Corporate Bylaws in article 48, literal g, indicate as an attribution of the president to create the jobs he deems necessary for the good service of the society and determine their functions. However, candidates for key executive positions in the society must be known and evaluated by the Appointment and Retributions Committee, who must express his opinion. The Company Bylaws are published on the website of the company in the link: <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> .	
<b>NO: Explain:</b>	
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>	

<b>Date of Implementation</b>	27.03.2015
<b>Dates of Modification</b>	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 ☐

**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	25.01.2015

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 ☐

**YES: Briefly Explain:**  
Within the functions of the Appointments and Retributions Committee are to lead the annual evaluation of the President's performance and acknowledge the evaluations of other members of the Senior Management. This recommendation is enshrined in the Internal Regulations of the Appointments and Retributions Committee in article 5 No. 6, published on the website of the company in:  
<http://www.conconcreto.com/comites-de-junta-directiva-en>.

**NO: Explain:**

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

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 company has been working on a policy of the senior management remuneration that includes the recommendation of this measure. It will be submitted to the Board of Directors for its consideration and approval.
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 ☒ N/A ☐

YES: Briefly Explain:
NO: Explain: The company has been working on a policy of the senior management remuneration that includes the recommendation of this measure. It will be submitted to the Board of Directors for its consideration and approval.
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:  
The Corporate Bylaws in article 42, No. 52 indicate that the Board of Directors is ultimately responsible for the existence of a solid environment of control within the society, adapted to its nature, size, complexity and risks;  
I. Promoting a culture of risks control throughout the society, reaching the whole organization.  
II. Defining roles and responsibilities around risk management, internal control and evaluation, with reporting lines clearly established.  
III. Risks that derive from the strategic definition and processes of the society are identified in order to carry out an adequate follow-up, evaluation and management.  
The Corporate Bylaws are published on the company's website in the link: <http://www.conconcreto.com/documentos-corporativos-en>.

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:  
The company has been working on an interrelation policy for the conglomerate societies which includes the recommendation of this



measure. It will be submitted to the Board of Directors for its consideration and approval.
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

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

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 ☐

<b>YES: Briefly Explain:</b>
<b>NO: Explain:</b> The Company has been working on a Risk Management policy which includes the recommendation of this measure. It will be submitted to the Board of Directors for its consideration and approval.
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

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

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 ☐

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

Date of Implementation	01.04.2008
Dates of Modification	01.11.2016

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

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NO

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N/A

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YES: Briefly Explain:  
It is regulated in the Corporate Bylaws on article 42, No. 28. The Board of Directors through its Audit Committee defines the exposure limits regarding identified risks which could have variations depending on the business dynamics, it also determines mediated actions for risk management. Other risks not previously identified usually enter the matrix and remain monitored permanently.

NO: Explain:

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

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

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NO

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N/A

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YES: Briefly Explain:  
It is regulated in the Corporate Bylaws on article 42, No. 29, published on the company's website and can be consulted in the following link:  
<http://www.conconcreto.com/documentos-corporativos-en>.  
Also, each quarter is presented to the Board of Directors through the Audit Committee a report on the company's risks. The Audit Committee analyzes the most relevant events and gives guidelines for the management of the identified risks.

NO: Explain:

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

Date of Implementation	27.03.2015
Dates of Modification	28.10.2016

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 worked on a risk policy that includes these responsibilities for which Senior Management holds accountability.  
The policy entails that the Senior Management is in charge of the risk management process including the stages of identification, analysis, response plan, monitoring, evaluation and communication. This policy will be submitted to the Board of Directors for its consideration and approval.

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:  
The company has worked in a risk policy, in terms of their delegation establishes them to the Board of Directors through the Audit Committee, as well as to the CEO who delegates to his management team of vice-presidents that, depending on the business line, take control of the risks associated to each one of them. The presidency if considered necessary creates specialized committees such as the purchase one, the investment one, among others, where it monitors and controls the operations related to its nature. The policy will be submitted to the Board of Directors.

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

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NO

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N/A

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YES: Briefly Explain:

NO: Explain:  
The company has been working on a Risk Management Policy, which would be applied for the entire conglomerate. The Controller of the parent company, makes revisions and visits the subsidiaries to evaluate the risks, and report the findings to the Audit Committee. Equally on the financial committee of the parent company, the management of the subsidiaries is evaluated and the findings are reported to the Audit Committee. The policy will be submitted for approval to the Board of Directors.

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

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NO

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N/A

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YES: Briefly Explain:  
The company has a Controller, a person in charge of the management of risks within the company with a consolidated scope. The Controller has within its functions to plan, organize and direct measurement and evaluation activities of the internal control system; Monitor the company and businesses risks permanently, to establish the risk management as a strategy to ensure compliance, Lead and monitor the execution of plans of action and improvement identified in the audit reports, Verify compliance of the Comprehensive Management System Policy (quality, environment, productivity, safety and health at work). Within the structure of the area are people in charge of specialized audits; control

of operations, internal control, residents compliance in projects, internal control professionals and internal audit.	
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 ☐

<b>YES: Briefly Explain:</b> Within the functions of the Board of Directors is to veil the existence of an adequate internal control system, adapted to the society and its complexity, and consistent with the risk management strategy in force. This duty is regulated in the Corporate Bylaws in article 42 No. 30, published on the website of the company in the following link: <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> .	
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 ☐

<b>YES: Briefly Explain:</b> It is regulated within the functions and responsibilities of the Audit Committee, in the Internal Regulations of said committee, which is published on the website of the company in the link: <a href="http://www.conconcreto.com/comites-de-junta-directiva-en">http://www.conconcreto.com/comites-de-junta-directiva-en</a> .	
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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

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 been working on a risk policy that includes the principle of self-control. During the year several training sessions have taken place regarding risk control, suspicious operations reports, ethics line where received complaints are submitted to investigation, among others. The policy will be presented to the Board of Directors for approval.
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 been working on a risk policy that includes guidelines on communication and the limits of exposure. The policy will be presented to the Board of Directors for approval.
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	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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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	28.10.2016

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	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
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YES: Briefly Explain:
NO: Explain: The Company currently has mechanisms of communication and risks control. The Company has been working on a risk policy that includes this guiding framework, which will be presented to the Board of Directors for approval.

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 line 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 recommendation is enshrined in the Internal Regulation of the Audit Committee in article 5, which is published on the company's website in the link: <a href="http://www.concreto.com/comites-de-junta-directiva-en">http://www.concreto.com/comites-de-junta-directiva-en</a> .
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:  
The company complies with this recommendation and is reflected in the periodic meetings performed by the Audit Committee, in 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	28.10.2016

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:  
The company is working on the development of an internal audit bylaw adjusted to the processes and types of business carried out by the company.

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: The controller is an employee of the company that functionally reports to the presidency, and reports directly to the Board of Director's Audit Committee.
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 ☐

YES: Briefly Explain: The recommendation is enshrined in the Internal Regulation of the Board of Directors in article 20 No. 26, as well as in the Internal Rules of the Audit Committee in article 10 No. 26. These documents are published on the website of the company in the following links: <a href="http://www.concreto.com/junta-directiva-en">http://www.concreto.com/junta-directiva-en</a> and <a href="http://www.concreto.com/comites-de-junta-directiva-en">http://www.concreto.com/comites-de-junta-directiva-en</a> .
NO: Explain:
N/A: Specify the rules that prevent adopting the recommendation:

Date of Implementation	18.12.2015
Dates of Modification	18.12.2015

**29.6. 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 ☐

YES: Briefly Explain:  
The recommendation is enshrined in the Corporate Bylaws in article 20, which indicates that the Fiscal Auditor and his substitute will be public accountants, could not celebrate any contract with the society and will be subject to other incompatibilities, disabilities, prohibitions and responsibilities established by the law. The statutes of the company can be consulted in the link:  
<http://www.conconcreto.com/documentos-corporativos-en>.

NO: Explain:

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

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 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 ☐

<b>YES: Briefly Explain:</b> The policy for the designation of the Fiscal Auditor approved by the General Assembly of Shareholders, meets the required parameters of this recommendation and is published on the website of the company in the link: <a href="http://www.concreto.com/documentos-corporativos-en">http://www.concreto.com/documentos-corporativos-en</a> .
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

Date of Implementation	30.03.2016
Dates of Modification	30.03.2016

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 ☐

<b>YES: Briefly Explain:</b> The policy for the designation of the Fiscal Auditor approved by the General Assembly of Shareholders, meets the required parameters of this recommendation and is published on the website of the company in the link: <a href="http://www.concreto.com/documentos-corporativos-en">http://www.concreto.com/documentos-corporativos-en</a> .
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

Date of Implementation	30.03.2016
Dates of Modification	30.03.2016

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 ☐

<b>YES: Briefly Explain:</b> The policy for the designation of the Fiscal Auditor approved by the General Assembly of Shareholders, meets the required parameters of this recommendation and is published on the website of the company in the link: <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> .	
<b>NO: Explain:</b>	
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>	

<b>Date of Implementation</b>	30.03.2016
<b>Dates of Modification</b>	30.03.2016

**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.

29.11Is the Measure Implemented?

YES

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NO

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N/A

☐

<b>YES: Briefly Explain:</b> The policy for the designation of the Fiscal Auditor approved by the General Assembly of Shareholders, meets the required parameters of this recommendation and is published on the website of the company in the link: <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> .	
<b>NO: Explain:</b>	
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>	

<b>Date of Implementation</b>	30.03.2016
<b>Dates of Modification</b>	30.03.2016

**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.

29.12Is the Measure Implemented?

YES

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NO

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N/A

☐

<b>YES: Briefly Explain:</b> The company discloses to the shareholders, in the annual ordinary meeting, where fiscal auditor is chosen, his honorary. Information not available to verify the percentage that these represent in the income of the firm.	
<b>NO: Explain:</b>	
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>	

<b>Date of Implementation</b>	30.03.2016
<b>Dates of Modification</b>	30.03.2016

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 ☐

<b>YES: Briefly Explain:</b> The Board of Directors has approved an information disclosure policy, which includes the points covered by this recommendation published on the company's website in the link: <a href="http://www.concreto.com/documentos-corporativos-en">http://www.concreto.com/documentos-corporativos-en</a> .	
<b>NO: Explain:</b>	
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>	

<b>Date of Implementation</b>	18.12.2015
<b>Dates of Modification</b>	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 ☐

<b>YES: Briefly Explain:</b>
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It is regulated in the information disclosure policy, article 7 which is published on the website of the company through the link: <a href="http://www.conconcreto.com/documentos-corporativos-en">http://www.conconcreto.com/documentos-corporativos-en</a> . In relation to the financial information of the conglomerate, it is presented in a consolidated manner.
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

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   ☐

<b>YES: Briefly Explain:</b> It is regulated in the Internal Regulations of the Audit Committee on article 10, No. 35. Additionally, it is enshrined in the Internal Regulations of the Board of Directors, article 20, No. 35. The fore mentioned documents are published on the website of the company and can be consulted through the following links: <a href="http://www.conconcreto.com/comites-de-junta-directiva-en">http://www.conconcreto.com/comites-de-junta-directiva-en</a> and <a href="http://www.conconcreto.com/junta-directiva-en">http://www.conconcreto.com/junta-directiva-en</a> .
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

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 ☐

**YES: Briefly Explain:**  
It is regulated in the Internal Regulations of the Audit Committee on article 10, No. 36. Additionally, it is enshrined in the Internal Regulations of the Board of Directors, article 20, No. 36. The fore mentioned documents are published on the website of the company and can be consulted through the following links:  
<http://www.concreto.com/comites-de-junta-directiva-en> and  
<http://www.concreto.com/junta-directiva-en>.

**NO: Explain:**

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

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 ☐

**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 which is presented to the shareholders at the annual ordinary meeting.

**NO: Explain:**

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

Date of Implementation	31.12.2011
Dates of Modification	30.03.2016



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 ☐

YES: Briefly Explain:  
It is regulated in the Information Disclosure Policy article 8. Additionally, the company has a corporate legal area, which together with the Investor Relations area is responsible for making the reports to the market in a timely and sufficient manner.

NO: Explain:

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

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 ☐

YES: Briefly Explain:  
This information is found in the link entitled INVESTORS, on the Company's Webpage.

NO: Explain:

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

Date of Implementation	01.12.2010
Dates of Modification	15.12.2016

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 ☐

**YES: Briefly Explain:**  
The Company Webpage includes the links referred to in this Recommendation.

**NO: Explain:**

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

Date of Implementation	01.12.2010
Dates of Modification	15.12.2016

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 ☐

**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.

**NO: Explain:**

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

Date of Implementation	01.12.2010
Dates of Modification	15.12.2016

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
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NO
☐
N/A
☐

**YES: Briefly Explain:**  
 Within the annual Corporate Governance Report it is included a risk management report that fulfills the parameters required in the recommendation, which is published on the Company’s webpage.

**NO: Explain:**

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

Date of Implementation	30.03.2016
Dates of Modification	30.03.2016

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
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NO
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N/A
☐

**YES: Briefly Explain:**  
 The annual Corporate Governance report is presented in the general assembly of Shareholders and fulfills the parameters required in the recommendation. It is published on the company’s webpage. For the year 2017, the report will be presented in the ordinary assembly of Shareholders to be held on March 2018.

**NO: Explain:**

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

Date of Implementation	30.03.2016
Dates of Modification	30.03.2016

**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 ☐

<b>YES: Briefly Explain:</b> The annual Corporate Governance report is presented in the general assembly of Shareholders and fulfills the parameters required in the recommendation. It is published on the company’s webpage. For the year 2017, the report will be presented in the ordinary assembly of Shareholders to be held on March 2018.
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

Date of Implementation	30.03.2016
Dates of Modification	30.03.2016

**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 ☐

<b>YES: Briefly Explain:</b> The annual Corporate Governance report is presented in the general assembly of Shareholders and fulfills the parameters required in the recommendation. It is published on the company’s webpage. For the year 2017, the report will be presented in the ordinary assembly of Shareholders to be held on March 2018.
<b>NO: Explain:</b>
<b>N/A: Specify the rules that prevent adopting the recommendation:</b>

Date of Implementation	30.03.2016
Dates of Modification	30.03.2016