

INTERNAL REGULATIONS OF THE AUDIT COMMITTEE



ARTICLE ONE – INTRODUCTION

In developing the provisions of the Code of Best Corporate Practices and pursuant to the provisions of Circular 014 of 2009, which was amended by External Circular 038 of 2009, issued by the Colombian Financial Superintendency, the Constructora Concreto S.A. (hereinafter, THE COMPANY) Board of Directors has adopted the following Regulations of Operation of the Audit Committee (hereinafter, THE COMMITTEE).

The Committee is a key element of Corporate Governance; therefore, it is a good practice that the Committee have regulations that provide clarity on its objective, scope and responsibilities and, in that sense, complement the provisions on the matter in the Company Bylaws and the Code of Best Corporate Practices.

ARTICLE TWO – APPLICABLE LEGISLATION

The Committee is governed by the provisions of these Regulations, the Code of Best Corporate Practices, the Bylaws, the regulations issued by the Colombian Financial Superintendency and the Law.

ARTICLE THREE – PRIORITY OF THE RULES

In the case of differences or contradictions regarding that established in these Regulations and the Code of Good Governance, the Code of Good Governance shall prevail.

In the case of differences or contradictions regards that established in these Regulations and in the Bylaws, the Bylaws shall prevail.

ARTICLE FOUR – INTERPRETATION OF THE REGULATIONS

In the case of differences in this respect, the Board of Directors shall establish how the different provisions contained in these Regulations should be interpreted.

ARTICLE FIVE – OBJECTIVE

The main task of the Audit Committee is to assist the Board in its oversight of the Internal Control System, by assessing the accounting procedures, the relationship with the Fiscal Auditor and, in general, the review of the Company's control environment, including the auditing of the risk-management system implemented by the Company. The Committee orders and supervises that the procedures of the Internal Control System conform to the needs, objectives, goals and strategies determined by the Company and that these procedures are framed within the objectives of internal control, such as efficiency and effectiveness in operations, adequacy and reliability in the financial information.

The Committee does not replace the functions of the Board or the Administration in the supervision and implementation of the Company's Internal Control System.

ARTICLE SIX – OPERATION AND COMPOSITION

As established in the Company Bylaws, the Audit Committee consists of three (3) independent members of the Board, who will be elected by the Board with the votes of a majority of its members, for the same periods as the Board. The Chairman of this Committee will be one of the independent members of the Board, who shall act for a period of one (1) year. This Committee will also have a Secretary, who will be the Company's Controller.

Similarly, the Company's Legal Representative and its Fiscal Auditor, who will have a voice but no vote, will also form part of this Committee.

The Committee will deliberate and validly decide with the presence and votes of the majority of its members. In the case of a tie in a vote or decision, what is discussed will be understood as having been denied.

Committee members undertake to maintain the status as independent members in the exercise of their functions.

The members of the Audit Committee have expertise in accounting and finances and other related matters, allowing them to rule with rigor on issues of competence of the Committee, with a level sufficient to understand their scope and complexity.

ARTICLE SEVEN – DEPENDENCE AND SUBORDINATION

Committee members have no dependence or subordination to any Company director or officer. Their dependence is limited to the Board.

ARTICLE EIGHT – PARTICIPATION OF OTHERS

Committee members may invite any other person in the Company or an independent expert, when deemed necessary and consistent with the nature of the subject under discussion. These expenses must be borne by the Company.

ARTICLE NINE – MEETINGS

The Committee shall meet ordinarily at least every three (3) months, following a summons from the Legal Representative of the Company or the Chairman of the Committee; meetings will be held at Company headquarters or in the place decided upon by the Committee for special cases.

Committee meetings shall be recorded in minutes, a copy of which is sent to all the Company Board members, to whom a brief report on matters discussed shall be

provided. If the Committee has delegated powers for decision making, the minutes are adapted to the requirements in Articles 189 and 431 of the Commerce Code.

The Committee may meet separately, with the periodicity deemed appropriate, with the Controller and the Fiscal Auditor to discuss any matters that the Committee or these supervisory bodies deem are to be treated privately.

The documents and information to be discussed in the Committee are an integral part of the Company operations and controls; therefore, the responsibility of the Committee members is to ensure their proper conservation, use and disclosure.

ARTICLE TEN – FUNCTIONS

Notwithstanding other functions assigned by Laws, the regulations issued by the competent authority, the Bylaws or the Code of Good Governance, the Committee will:

1. Supervise compliance of the internal audit program, taking into account, *inter alia*, the review, prevention and possible corrective actions involving different areas of the Company and the risks proper to the business.
2. Ensure the preparation, presentation and disclosure of the Company's financial information, always seeking that it conforms to the provisions of the Law.
3. Consider the financial statements before being presented to the Board of Directors and the General Assembly of Shareholders.
4. Evaluate and control the activities of administrators, executives and directors and submit reports to the competent entities in accordance with the provisions of the Code of Good Governance.
5. Request the reports it deems appropriate for the proper development of its functions.
6. When situations that are of significant importance are identified, the Committee shall submit a special report to the Company's Board of Directors.
7. Define mechanisms to consolidate information from the Company's supervisory entities to present the information to the Board.
8. Ensure that administrators provide the information required by the supervisory entities to perform their functions.
9. Design, implement and evaluate programs and controls to prevent, detect and respond appropriately to the risks of fraud and misconduct. Fraud is understood as an intentional act committed for illicit profit; misconduct is the violation of laws, regulations or internal policies.
10. Monitor the levels of risk exposure, its implications for the Company and the measures taken for control or mitigation.
11. Monitor compliance of the instructions given by the Board of Directors regarding the Internal Control System.

12. Prepare the report that the Board will present to the General Assembly of Shareholders regarding the operation of the Internal Control System, which shall include, *inter alia*:
 - i. The general policies established to implement the Company's Internal Control System.
 - ii. The process used to review the effectiveness of the Internal Control System, specifically mentioning the aspect related to risk management.
 - iii. The most important activities developed by the Committee.
 - iv. The material weaknesses identified, the recommendations made and the measures taken, including, among others, those that could affect the financial statements and the management report.
 - v. The observations made by the supervisory bodies and the sanctions imposed, when appropriate.
 - vi. The evaluation of the work done by Internal Control, including, among others, the scope of the work performed, the independence of the operation and the resources allocated.
13. Inform the General Assembly of Shareholders on questions raised by shareholders regarding its powers.
14. Propose to the Board, for submission to the General Assembly of Shareholders, the candidates for the appointment of Fiscal Auditor and the conditions of his engagement and, where appropriate, his revocation or non-renewal.
15. Supervise the Fiscal Auditor's services, which includes evaluating their quality and effectiveness.
16. Interact and have periodic relations with the Fiscal Auditor and, in particular, assess and inform the Board of all those situations that may limit access to information or jeopardize its independence and any others related to the audit plan and the development of the financial auditing, as well as those other communications provided for in the financial auditing legislation and the technical auditing standards.
17. Receive the final financial auditing report and study the financial statements for consideration by the Board, without prejudice to the functions conferred by regulations to the Fiscal Auditor and Top Management. If they contain qualifications or unfavorable opinions, the Committee must issue a decision on their content and scope, which will be released to shareholders and the public securities market through the Company's Webpage; it will also verify that Top Management has taken into account the recommendations of the Fiscal Auditor and, if appropriate, take the lead in responding to the observations included in his report.
18. Ensure that the accounting principles applicable at all times are properly applied in the preparation of the financial statements that the Board presents to the General Assembly of Shareholders, and in the preparation of reliable internal information for decision making.
19. Identify and evaluate the process to prepare, present and disclose financial information.

20. Monitor the efficiency of the function of regulatory compliance and money laundering and the financing of terrorism.
21. Verify that the periodic information offered to the market is prepared in accordance with the same principles and professional practices as the annual accounts, overseeing such information prior to its dissemination.
22. Propose to the Board the structure, procedures and methodologies necessary for the operation of the Internal Control System.
23. Identify and evaluate the Company's Internal Control System.
24. Monitor and periodically report to the Board on the effective application of the Company's Risk Policy, so that the main financial and non-financial risks in the balance sheet and off-balance sheets are adequately identified, managed and disclosed.
25. Supervise internal auditing services and report to the Board.
26. Propose to the Board the selection, appointment, remuneration, reappointment and removal of the head of the internal auditing service.
27. Analyze and approve the Internal Auditing Annual Work Plan and the annual activity report.
28. Ensure the independence and effectiveness of the internal audit function, receive periodic information on its activities and verify that Top Management takes into account the conclusions and recommendations of its report.
29. Review compliance with the actions and measures resulting from the inspection reports and acts of the supervisory and control authorities.
30. Evaluate and report to the Board on the temporary or permanent conflicts of interest, in which a Significant Shareholder could be directly or indirectly immersed or through a related party. A Significant Shareholder is one that by itself or under agreement with other shareholders is the owner of the rights of at least ten percent (10%) of the Company's outstanding shares and whose participation has a stable purpose; Board members and Top Management make the necessary proposals to manage the situation.
31. Evaluate and report to the Board on possible conflicts of interest that may arise between the Company, as Parent Company of the Business Group, and the subsidiaries, or among the subsidiaries, or with their Directors and related parties, making the proposals needed to manage the situation.
32. Prior to the authorization by the Board, examine and report to the Board on the operations that the Company conducts directly or indirectly with Board members, Controlling and Significant Shareholders, members of Top Management, operations among the companies of the Conglomerate or persons related thereto, which, by their size, nature or conditions, are a risk to the Company or the Conglomerate.
33. Regularly monitor the degree of compliance of the Code of Ethics and the effectiveness of the system of anonymous complaints (whistleblowers), evaluating the unethical actions that are submitted and the content of the allegations made, with the Board making appropriate recommendations.

34. Have knowledge of and assess the transactions carried out with Related Parties. The conclusions of the assessment should be entered in a report by the Committee to the Board, which must contain at least the following information:
 - i. The qualitative or quantitative criteria used to determine the materiality of the operation
 - ii. The respect of the operation for the equal treatment of shareholders
 - iii. The price or value of the transaction and the respect for market conditions
 - iv. The moment of disclosure
35. In the event of any qualifications in the Fiscal Auditor's report, the Chairman of the Audit Committee shall submit the report, along with the actions that the Company proposes to resolve the situation, to the General Assembly of Shareholders.
36. When, in considering the qualifications and/or paragraphs of emphasis of the Fiscal Auditor, the Board believes that its opinion must prevail, this position must be adequately explained and justified in a written report to the General Assembly of Shareholders, specifying the content and scope of the discrepancy.
37. The other duties that may be delegated by the Board, provided that, by their nature, they may be delegated and the delegation is not prohibited.

In relation to risk management, the Audit Committee shall have the following functions:

1. To review and assess the integrity and adequacy of the Company's functions of risk management.
2. To review risk limits and the reports on risks, making appropriate recommendations to the Board.
3. To propose the Company's risk policy to the Board.
4. To systematically assess the Company's risk strategy and general policies, translated into the establishment of limits by types of risk and business, with the level of disaggregation established by business, business or economic groups, clients and areas of activity.
5. To analyze and assess the Company's ordinary risk management, in terms of limits, risk profile (expected loss), profitability, and capital map (capital in risk).
6. To analyze and assess the Company's risk control systems and tools.
7. To formulate improvement initiatives deemed necessary on the infrastructure and the internal control systems and risk management.
8. To submit to the Board proposals for the delegation of rules to approve the various types of risk that it or other lower levels of the organization must assume.
9. To inform the Board on the operations it must authorize, when they exceed the powers granted to other levels of the Company.
10. At the request of the Board, to inform it on the operations that it must authorize by law or regulation, or internal or external provisions.

11. To assess and monitor the indications formulated by the supervisory authorities in exercising its function.
12. To promote the adequacy of the Company's risk management to an advanced model that permits the configuration of a risk profile in line with the strategic objectives and to monitor the adequacy of risk assumed in that profile.
13. The other duties that may be delegated by the Board, provided that, by their nature, they may be delegated and the delegation is not prohibited