

# **GRUPO NACIONAL DE CHOCOLATES S.A.**

## **CORPORATE BYLAWS**

### **CHAPTER 1**

#### **Nature, Domicile and Term of Duration**

**ARTICLE 1. GRUPO NACIONAL DE CHOCOLATES S.A.**, is a joint stock company, incorporated pursuant to Colombian legislation, whose registered business address is in Medellin, Department of Antioquia, Republic of Colombia.

**ARTICLE 2.** The Company's registered address may be amended by means of an amendment to its bylaws and duly approved and legalized as provided by law.

**ARTICLE 3.** The Company may also set up branch offices or agencies, both in Colombia and abroad, as ordered by the Board of Directors, in accordance with that laid out in these bylaws and complying with all that provided by law.

**ARTICLE 4.** The Company's term of duration shall expire on April 12, 2050, without prejudice to this being extended before its expiry date upon the wishes of the Assembly of Shareholders, by means of an amendment to the bylaws that shall be legally approved and legalized; or pre-terminated, should the Assembly of Shareholders so decide, or due to any other grounds established by law..

### **CHAPTER II**

#### **Corporate Purpose**

**ARTICLE 5.** The Company's business purpose is to: invest or apply corporate funds or resources in companies that are organized in any manner provided by law, whether these be Colombian or foreign and whose purpose is to carry out any lawful economic activity, or in material or non-material assets with a view to protecting its capital.

**ARTICLE 6.** As part of the investing activities that make up the Company's business purpose, it may:

- a) Promote or set up companies, whether these be subsidiaries or not, providing they are companies that are incorporated in order to make any type of lawful investments; associate itself with any company or enterprise that has been duly incorporated, whatever its corporate purpose is, in the form of an investment; subscribe or acquire shares, participations or other forms of equity in said companies, by means of cash payments or payments in the form of goods or services; and to take over or merger with these.
- b) Acquire real estate or movable property, whether material or otherwise, securities and other investments that the Board of Directors shall consider useful for carrying out the Company's business purpose.
- c) Issue bonds and take out legitimate loans or credit, in order to develop, promote or operate any company or carry out any activity or business described in the Company's bylaws.
- d) Generally speaking, execute all manner of acts and contracts, whether these be of a principal, supplementary, preparatory or complementary nature, that are directly related to the business and the activities that make up the Company's business purpose, according to the extent specifically provided in Article 5 of these same bylaws, and to carry out all that which serves to exercise the Company's rights and fulfill its obligations, legally or

conventionally derived from its existence and from the activities undertaken by the Company.

**ARTICLE 7.** The Company may not engage in any activity that does not form part of its business purpose, according to the extent and scope indicated in the preceding Article.

## **CHAPTER II**

### **Capital**

**ARTICLE 8.** The Company's authorized or share capital comes to two thousand four hundred million Colombian pesos (\$5.000.000.000.00), divided up into four hundred and eighty million (1.000.000.000) shares, each with a nominal value of five Colombian pesos (\$5.00) and bearing the characteristics contained in Chapter IV of these bylaws. The amount of authorized capital may be increased by means of an amendment to the Company's bylaws as approved by the Assembly of Shareholders and duly legalized pursuant to the law.

**PARAGRAPH.** Whilst the Company's shares are publicly traded on the stock exchange, any increase in its authorized capital, decrease in its subscribed capital or the voluntary cancellation of its share listings with the Colombian National Registry of Securities or on the Colombian Stock Exchange, shall require the approval of the Assembly of Shareholders, in the form of a simple majority vote, providing all legal requirements governing the notice given for said shareholders meeting, the inclusion of the matters to be decided upon, publicity and other provisions prescribed by Articles 13 and 67 of Law 222 of 1995.

**ARTICLE 9.** On the date these amendments to the Company's bylaws have been drawn up, the shares making up the Company's authorized capital are distributed as follows:

- a) Subscribed and totally paid-up shares: Three hundred and forty-six million six hundred and thirty-four thousand four hundred and seventy-two (346,634,472), that at their nominal value of five Colombian pesos (\$5.00) each represent at total of one thousand seven hundred and thirty-three million, one hundred and seventy-two thousand, three hundred and sixty Colombian pesos (\$ 1,733.172,360,00)
- b) Shares held in reserve: One hundred and thirty-three million, three hundred and sixty-five thousand, five hundred and twenty-eight (133,365,528) shares that at their nominal value of five Colombian pesos (\$5.00) each represent at total of six hundred and sixty-six million, eight hundred and twenty-seven thousand and six hundred and forty pesos (\$666,827,640.00) corresponding to the amount of capital assigned for future subscription.

The Company's subscribed capital may be increased through any means authorized by law. Likewise, it may be decreased according to the requirements established by law, by virtue of the corresponding amendments to the Company's bylaws, that shall be duly approved and legalized in the form provided by law.

## **CHAPTER IV**

### **Shares and Shareholders**

**ARTICLE 10.** The Company's authorized or share capital may consist of ordinary shares, non-voting shares bearing a preferred dividend or preferred shares, and may circulate in a dematerialized manner, as provided by law. Should nothing else be expressly indicated, the Company's capital stock shall be understood as being made up of ordinary shares, and shall grant the holder of these all those rights that the law provides for this type of share.

The corresponding issue regulations shall state the type of shares that are being issued and the special rights that these confer in the case of preferred shares or non-voting shares bearing a preferred dividend.

For this type of share, a separate share register shall be maintained and the certificates corresponding to each class or series shall have special distinctive features and texts according to their specific nature. The numbering of said certificates shall be consecutive beginning with No. 0001 for each class or series of share.

**ARTICLE 11.** The issuing of preferred shares or non-voting shares bearing a preferred dividend, can only be authorized by the Assembly of Shareholders, who shall be responsible for deciding upon the rights and economic prerogatives granted by such shares, subject to all those restrictions provided by law.

**ARTICLE 12.** The Assembly of Shareholders may at any time create shares for services and dividend share rights, and to issue their corresponding regulations.

**ARTICLE 13.** The Company shall issue each shareholder a certificate accrediting his or her shareholder status, for each class of shares held. In the case of all those shares belonging to one same class, the shareholder shall be issued with one single share certificate, unless various certificates for partial amounts are requested. The shareholders may deposit their certificates with a centralized security deposit and by virtue of the dematerialized handling of such, through electronic records, may conduct transfers and other related operations.

The share certificates shall be issued for a whole number of shares. No certificates shall be issued for fractional amounts.

**PARAGRAPH ONE.** Until shares are paid in full, only a provisional share certificate shall be issued to the subscriber.

**PARAGRAPH TWO.** In the case of shares that circulate in a dematerialized form, the Company may issue global certificates, as provided by law.

**ARTICLE 14.** Both provisional and definitive share certificates shall be issued in a continuously numbered series, beginning with the number one, and shall bear the signatures of the Company's Legal Representative and Company Secretary, or whoever should act on their behalf; they shall also contain all that prescribed by law and the Company's bylaws, with regard to the text and the outward appearance that the Board of Directors should so decide. Both the provisional and the definite share certificates shall be recorded on the Share Register that the Company keeps in the manner prescribed by law. In this same register, all those transfers, embargoes and lawsuits relating to such shares, as well as pledges and other encumbrances, restrictions and divisions. All those shares whose certificates are deposited in a centralized security deposit, shall also be recorded in the Share Register as well as any encumbrance or restriction placed on such, for which the securities deposit shall proceed according to that provided by law.

**ARTICLE 15.** The Company shall only recognize the person appearing on the aforementioned Share Register as shareholders or holders of the rights to said shares. Therefore, no instrument selling off or transferring shares, or placing encumbrances, restrictions, embargoes or adjudications on these same, shall have any effect with respect to the Company or third parties, only by virtue of that recorded in said Register, which the Company may not be denied except in the case of an order issued by a competent authority, or in the case of shares that require specific requirements or formalities that have not been complied with in order to be traded.

**ARTICLE 16.** Shares are corporate stock certificates that are negotiable according to the law, except in all those cases exempted by law. In the case of transferring or selling off shares, the corresponding recordal in the Company's Share Register shall be made by virtue of a written order from the person selling or transferring said shares, whether this is in the form of endorsing the respective certificate or by means of a "letter of transfer" signed by this same person. In the case of forced sales and judicial adjudications, the recordal shall be carried out by presenting the original or authenticated copy of the pertinent documents.

In the case of a share adjudication being carried out before a Notary Public, the corresponding recordal shall be made based on an authenticated copy of the corresponding public deed.

In order to make a new recordal and issue the corresponding certificate, the Company shall annul all those certificates issued to the seller or previous holder, except in the case of transfers of shares that are being kept at a centralized securities deposit in which case the corresponding recordal shall be made by means of a communication issued by the centralized securities deposit .

**PARAGRAPH.** The Company shall not be responsible for any events or circumstances that could affect the validity of the agreement between the assignor and the assignee, and in order to accept or reject the corresponding transfers, it shall only have to comply with external formalities pertaining to the share transfer. Neither shall the Company be responsible when shares are recorded by means of an order from a securities custody deposit.

**ARTICLE 17.** No shares may be transferred whose recordal in the Share Register shall have been canceled or prevented by an order issued by a competent authority. In order to transfer shares whose ownership is subject to litigation, permission from the respective Judge shall be required; in the case of all those shares subject to embargoes, it shall also be necessary to provide due authorization from the person responsible for such.

**ARTICLE 18.** Shares that have been pledged may not be sold or transferred without the authorization of the creditor.

**ARTICLE 19.** The pledge shall be completed by means of its recordal in the Company's Share Register.

**ARTICLE 20.** Pledges with regard to shares shall not confer on the creditor any inherent shareholders rights, only by virtue of due authorization or an express agreement to this effect. The instrument or document evidencing such agreement shall suffice to exercise before the Company all those rights conferred on the creditor.

**ARTICLE 21.** Embargoes on shares shall be completed by their recordal in the Company's Share Register, by means of a written order on the part of the competent official. The embargo shall include the corresponding dividend and may be limited to just this. In the latter case the embargo shall be completed by means of an order from a Judge for the retention to be made and the corresponding quantities shall be made available to the Judge.

**ARTICLE 22.** In the case of lawsuits involving the Company's shares, and the Company is ordered to withhold the proceeds of such, the Company shall maintain said proceeds in safekeeping and permanently available until the official who issued the order for these to be withheld notifies the Company of the person to whom these are to be handed over.

**ARTICLE 23.** Shares that have not been fully paid up are negotiable in the same way as the fully paid-up shares, but the assignor and the assignee shall be jointly responsible for paying the unpaid value .

**ARTICLE 24.** When the document containing the details of the transfer does not state the contrary, all dividends due and payable shall belong to the assignee as of the date on which the transfer document is drawn up, except when the shares are transferred through a stock exchange, in which case rules and regulations pertaining to the ex-dividend date shall apply, as provided by law.

**ARTICLE 25.** In order to collect dividends, the shareholders or their appointed representatives shall present the corresponding share certificates, and the payment of said dividends shall be recorded on the back of said certificates. The Board of Directors may however, dispense with complying with this requirement in order to speed up the payment of dividends. In the case of shares handled through a share custody deposit, the collection of dividends shall require the certificate issued by the centralized securities deposit to be presented.

**ARTICLE 26.** It shall be understood that whoever should acquire shares in the Company, whether this be through a subscription agreement, a transfer or any other means of acquisition, shall remain subject to that contained in these bylaws.

**ARTICLE 27.** The Company shall issue duplicate copies of share certificates to all those shareholders appearing in the Company's Share Register, only in those cases and according to the following rules and regulations:

- a) In all those cases where share certificates have been stolen or lost, the issuing of a duplicate copy shall be authorized by the Board of Directors. In all those cases where the share certificates have been stolen or lost, an authenticated copy of the corresponding criminal complaint shall be required by the Board of Directors. In the case of theft, the Board of Directors shall require a guarantee to be set up;
- b) When the certificate has been damaged in some way, the issuing of a duplicate copy shall be authorized by the Chief Executive Officer, upon the shareholder producing the original damaged share certificates which the Company shall proceed to annul.

**ARTICLE 28.** Shareholders must register their home addresses or the address to which all information and communications are to be sent with the Company Secretary. Should they fail to do so, neither the Company nor its management shall be responsible for the consequences that this lack of communication may entail. Any communication that the Company sends by post to the registered address shall be understood as having been sent to the shareholder.

**ARTICLE 29.** The shareholders shall be responsible for paying any taxes that may accrue on the issuing of shares certificates as well as their respective transfer. However, the Assembly of Shareholders may arrange in the case of each issue of shares for the taxes payable on the subscription of new shares be paid for by the Company.

## **CHAPTER V**

### **Issue Of Shares Held In Reserve And New Shares.**

**ARTICLE 30.** Shares held in reserve and those that are created subsequently as a result of any increase in the Company's authorized capital, shall remain in reserve and at the disposal of the Board of Directors, so that these may be placed when the Board of Directors should so decide and subject to all those regulations that the Board may issue for such purpose.

In the share placement regulations, the Board of Directors may reserve the right to dispose of the remainder of the issue by means of direct negotiations or on the open market, once the regulations are fulfilled and this has been duly evidenced by a competent authority in charge of inspecting, overseeing and controlling such matters.

**ARTICLE 31.** Whenever the share capital that the Board of Directors plans to place does not have a specially-defined strategic purpose, or in order to reimburse contributions of capital in kind or for person(s) or specific groups of subscribers, shares must be offered on a preferential basis to the existing shareholders.

**ARTICLE 32.** Shareholders shall be entitled to subscribe any new issue of share capital on a preferential basis, in the same proportion as those they hold on the date on which the Board of Directors approves the corresponding regulations, except in all those cases stipulated in the preceding Article, or whenever the Assembly of Shareholders shall expressly waive their preferential rights providing this decision carries the approval of seventy per cent (70%) of the shares represented at the respective meeting.

**ARTICLE 33.** When the Company receives assets other than cash for the payment of the subscription of share capital, the value of the assets represented in this payment in kind shall be

determined by the Board of Directors. This appraisal duly evidenced shall be submitted for the approval of the official competent entity delegated to exercise this function.

**ARTICLE 34.** In the case of a merger with one or several companies, or whenever the contribution should consist of work or services provided all of which is estimated at a set value, the corresponding appraisal shall be established by the Assembly of Shareholders, who shall also decide on the form of payment or amortization in the case of contributions in the form of work or services provided.

## CHAPTER VI

### Representation and Mandate

**ARTICLE 35.** Shareholders may have third parties represent them before the Company when deciding upon and voting at the meetings of the Assembly of Shareholders, collecting dividends and for any other purpose, by means of a written power of attorney.

The power of attorney to represent shares at meetings of the Assembly of Shareholders must state the name of the representative, the person that may replace said representative, if applicable, and the date of the meeting for which such power of attorney is issued. Powers of attorney issued abroad, shall only require the formality of being granted in writing.

Powers of attorney issued by public deed or by any other legally-recognized document may be used for two or more meetings held by the Assembly of Shareholders.

**PARAGRAPH.** When the power of attorney is granted to represent shares at a specific meeting of the Assembly of Shareholders, it shall be understood, except in the case of the person granting the power expressly stating the contrary, that said power is sufficient to represent the shareholder at all meetings subsequently set as a continuation of this same, as in the case of suspending deliberations as provided for by law and when the second meeting, held to replace the first, cannot be held on the date first indicated due to lack of quorum.

**ARTICLE 36.** Shares are indivisible and, consequently, when due to any legal or conventional reason, a share belongs to various persons, these should appoint a one single representative to exercise their rights as shareholders. Should no agreement be reached in this regard, the interested party should request a judge of competent jurisdiction to appoint a representative for said shares.

**ARTICLE 37.** Whenever the Company's shares are subject to ongoing inheritance proceedings, the shareholders rights shall be exercised by the person named as executor of the property in question. In the case of there being several executors, a single representative of these shall be appointed except when one of these shall be specifically authorized by a judge to this effect.

In the absence of an executor, the representative appointed by the majority vote of the heirs duly recognized within the proceedings.

**ARTICLE 38.** The Company shall only recognize one single representative acting on behalf of each shareholder, and this may be either a natural or corporate person, a community or an association. At the meetings of the Assembly of Shareholders, the representation and voting rights are indivisible, so that the representative or attorney may not split up the vote of the persons they represent, which means that they are not permitted to vote on the one hand with a group of shares that these represent, in a specific sense or for specific individuals, and on the other, with another group of shares in different sense and for other specific individuals. Their indivisible nature however shall not prevent the representative or attorney of various natural or corporate persons, or various individuals or groups, voting in each case, following the separate instructions of each person or group therein represented, but in no event may the votes corresponding to the shares held by the same person be split up.

**ARTICLE 39.** The fact that a person appears on the Company's Share Register does not entitle him or her to exercise shareholders rights if said person does not have the legal capacity to do so. In this specific case, said rights shall be exercised by his or her legal representative.

**ARTICLE 40.** While the Chief Executive Officer, the members of the Board of Directors and the Company employees remain in their posts, they may not be granted powers of attorney to represent shares of other people at meetings held by the Assembly of Shareholders, neither shall they substitute any powers of attorney conferred on them. This prohibition does not apply to the case of the legal representative.

Neither may they vote, even with their own shares, on all those decisions made with regard to approving year-end balance sheets and accounts, nor accounts related to the winding up of the Company.

**ARTICLE 41.** All those shareholders residing or moving beyond the Company's place of business, shall be obliged to assign a representative to act on their behalf before the Company, who shall have the right to speak and to vote with regard to all those deliberations carried out by the Assembly of Shareholders.

## **CHAPTER VI**

### **Arbitration Clause**

**ARTICLE 42.** Any disagreements regarding the Company's Articles of Incorporation, their interpretation or fulfillment that may arise between the shareholders or between these and the Company, during its term of duration, or when the Company is dissolved or wound up, shall be submitted to an Arbitration Panel made up of three (3) arbiters, who shall be appointed by mutual consent. This Arbitration Panel shall hear the case in the city of Medellin. The arbiters shall decide on the case on the basis of a majority vote, and shall be authorized to conciliate the opposing claims. For the purpose of this clause, the term "party" shall mean the person or group of persons maintaining the same claim.

In the absence of any agreement between the parties with regard to appointing arbiters, the appointment of these shall be made by the Conciliation and Arbitration Center attached to the Chamber of Commerce of Medellin, who shall be the competent authority to become acquainted and deal with the preliminary inquiries.

**PARAGRAPH.** These arbitration proceedings may be done away with when within a period of fifteen (15) days following the date on which the disagreement arises, the interested parties are able to settle their differences and, being a matter that can be dealt with in this manner, decide to submit this to friendly arbitration. In this case, each party shall appoint a person of good standing, with expert knowledge of similar businesses to that of the Company, with the prior consent of the other party.

Said appointments shall be jointly notified by the parties, without having to indicate which party made the respective appointment.

A decision shall be conscientiously adopted based on the reasons and the facts of the case that the interested parties shall present both verbally and in writing.

Should no agreement be arrived at with regard to the decision to be taken, the members of the friendly arbitration panel shall be empowered to name a third arbitrator, and these shall study the case or the points in dispute again, resolving these unanimously or by majority vote. The settlement that the friendly arbitrators shall arrive at, in the manner provided for, shall be binding on and not open to appeal by the parties, and therefore shall have a binding effect of a contractual nature, as provided by law.

## **CHAPTER VI**

## **Voting and Appointments**

**ARTICLE 43.** Neither the Chief Executive Officer, nor the members of the Board of Directors may vote either themselves or through spouses or blood relatives up to the fourth degree of kinship, and relatives by marriage up to the second degree of affinity, with regard to filling posts or jobs that are remunerated by the Company, nor for establishing their corresponding salaries.

**PARAGRAPH.** For the purposes of this article it shall be understood that the members of the Board of Directors are not Company employees.

**ARTICLE 44.** Neither may there exist on the Board of Directors a majority formed by persons related to each other by kinship or marriage within the degrees stated in the aforementioned article. If a Board of Directors was appointed in contravention to that herein stipulated, it may not act or continue to exercise the functions of the previous Board of Directors, and a meeting of shareholders shall be immediately called to appoint a new Board of Directors.

**ARTICLE 45.** When the Assembly of Shareholders hold a vote or make an appointment, the following rules and regulations shall be followed:

1. Each one of the shares recorded in the Company's Share Register shall entitle the holder to a vote, except when the law specifically prohibits such and where there exists restrictions as stipulated in Article Forty-Seven (Article 47) of these bylaws; the votes corresponding to the same shareholder are indivisible;
2. The votes shall be cast by means of a non-written ballot system, unless the chairperson shall decide, on the basis of each individual case, that the votes be cast by means of a secret, written ballot.
3. With regard to a secret ballot, all those votes contained on slips of paper that do not bear the signature or seal of the Company Secretary shall be declared void.
4. With regard to a non-secret ballot, all those votes contained on slips of paper that do not bear the signature of the voter or state the number of shares held, shall be declared void;
5. Each appointment shall be voted on separately. However, the Statutory Auditor and his or her alternates shall be appointed by one single ballot.
6. When a draw is produced as a result of a single ballot, the matter will be voted on again, and if another draw is produced, it shall be understood that the appointment be suspended. If the draw occurs when voting on proposals or resolutions, these shall be understood to be rejected.
7. All proposals submitted to the Assembly of Shareholders shall be in writing and duly signed by the persons presenting these.
8. No person who shall have been appointed as a principal shall be appointed as an alternate, whether the appointment was made for a single or plural persons.
9. In order to appoint members of the Board of Directors or commissions or deliberative bodies, the legal electoral quotient system shall apply, unless the appointment is made unanimously by the entire number of shares represented at the meeting in question.
10. The Company may not vote on its own repurchased shares that it may have in its possession.



**ARTICLE 46.** In order to appoint members of the Board of Directors, the following rules and regulations shall be followed:

- a) Votes for principal and alternate members shall be contained on the same slip of paper;
- b) Votes can only be cast for the lists previously registered with the Company Secretary before the meeting on which the appointments are scheduled to be made is held. These lists may be registered even immediately before the meeting. All those votes for lists that have not been registered with the Company Secretary shall be declared void.
- c) The mere deletion of a name or an amendment to the order of candidates shall give grounds for annulling the vote.
- d) When the name of a candidate is repeated one or more times in the same voting slip, the votes in favor of said candidate shall be calculated only once for the person to whom the voting slip belongs; however, if the name is repeated for both the principal as well as alternate position, the name shall not be included when appointing the alternate.
- e) If a voting slip contains a higher number of names than that which it should contain, only the names up to the required number shall be computed in the order written down. If the number of names is less than the required number, all the names written down shall be computed.
- f) Blank votes shall only be computed for the purpose of determining the electoral quotient;
- g) The quotient shall be determined by dividing the total number of valid votes cast by the number of persons being appointed. The votes shall be examined beginning with the list receiving the highest number of votes and continuing in descending order. From each list as many names shall be declared as appointed the amount of times that the quotient is able to be accommodated in the number of votes cast for said names, and should there be any more seats to be filled, the names with the next highest votes shall be used, examining these in descending order. Lots shall be drawn in the case of a tie between the remaining names with the highest votes.
- h) Once the votes have been examined, the Assembly of Shareholders shall determine the order of precedence of the principal members thus appointed, in an ascending and consecutive order, beginning with the number one, according to the order in which the seats were filled based on the highest number of votes.

In this same way, the Assembly of Shareholders shall proceed to determine the order of precedence for the alternate members of the Board.

**PARAGRAPH.** The rules stated in subsections c) through to g) inclusively in this Article shall be followed in other cases where the electoral quotient system must be applied to the votes cast.

**ARTICLE 47.** Shares making up the Company's capital stock shall each grant the right to one vote to be cast at the meetings of the Assembly of Shareholders, except in the cases of shares that do not have such attributions, such as non-voting preferred shares.

Taking into account the abovementioned exception, each share making up the Company's capital stock shall entitle the holder to one vote, without any restriction as to the number of votes, except in the case of all those prohibitions and disqualifications that the law stipulates for voting on specific decisions, such as in the case of Company management and employees approving the general-purpose financial statements and the year-end accounts, as well as those pertaining to the winding up of the Company.

**ARTICLE 48.** As a general rule, the decisions on the part of the Assembly of Shareholders shall be adopted by a majority vote based on the amount of shares represented at the meeting in question except in the following cases:

- a) The distribution of profits shall require the approval of a plural number of shareholders representing at least seventy-eight per cent (78%) of the shares therein represented. In the absence of a majority vote, no less than fifty per cent (50%) of the profits may be distributed, or the remainder of these in the case that these were used to wipe out losses sustained in previous periods.
- b) The decision regarding the placement of non-preferred shares with shareholders, in the case stipulated in Article 32 of these statutes, shall require the approval of seventy per cent (70%) of the shares represented at the meeting in question.
- c) The payment of dividends in the form of paid-up shares, that are binding on the shareholders, shall require the approval of eighty per cent (80%), at least, of the shares therein represented.
- d) The others, by virtue of a legal requirement, shall require a special or qualified majority, higher than the absolute majority

## **CHAPTER IX**

### **Company Management**

**ARTICLE 49.** For the purpose of running, managing and representing the Company has the following bodies:

- a).The Assembly of Shareholders;
- b). The Board of Directors; and
- c). The Chief Executive Officer

Each one of these shall exercise the functions and attributions that are provided for in these statutes, according to the special rules and regulations herein contained as well as legal provisions.

## **CHAPTER X**

### **Assembly of Shareholders**

**ARTICLE 50.** The Assembly of Shareholders shall be made up of all those shareholders that are registered in the Company's Share Register, who are holders of shares belonging to the Company's voting capital stock, either acting in person or through their legal representatives or though holders of written powers of attorney, who shall meet making up the quorum and in the conditions provided in these bylaws, or by means of meetings that are not attended in person, that may be held orally or in writing, in all those cases and following all those requirements stipulated in Articles 19 through to 21 of Law 222 of 1995.

**ARTICLE 51.** The meetings that are attended in person by the Assembly of Shareholders, shall be presided over by the Company's Chief Executive Officer, and in his or her absence by the principal members of the Board of Directors in the same order as they were appointed; and in the absence of these, by the alternate members of the Board, again in the same order as they were appointed, and

in the absence of all of the aforementioned by any person appointed by the shareholders attending this meeting, by means of a majority vote on behalf of all the shares therein represented.

**ARTICLE 52.** Meetings held by the Assembly of Shareholders, may be ordinary or extraordinary in nature. The notice given for said meetings shall be given by publishing this in one of more newspapers that circulate in the Company's principal place of domicile; or may be personally given to each of the shareholders by means of a letter sent to the address of each one, as registered with the Company. The corresponding notice of such meeting shall be recorded in the respective minutes, inserting the text of this as well as the number and the date of the newspaper in the case of the notice being published in this way.

**ARTICLE 53.** In the case of all those meetings where the year-end financial statements are to be examined; notice for said meeting shall be given at least fifteen (15) days before the date on which the meeting is to take place. This same term shall apply for all those meetings for which a special notice is required by law. In all other cases, prior notice of no less than five (5) calendar days shall suffice. In order to calculate the aforementioned terms, both the day on which notice is given plus the day on which the meeting is to be held are to be subtracted.

**PARAGRAPH.** All those meetings for which a special notice is required shall take place whenever matters concerning mergers, spin-offs or conversions are to be decided upon, as well as the voluntary cancellation of share listings in the Colombian National Securities Register or stock exchanges, increases in the Company's authorized capital, or decreases in its subscribed capital.

Under penalty of declaring the decisions ineffective, in such cases the notice for the meeting shall contain all that specially required by Articles 13 and 67 of Law 222 of 1995, with regard to giving advance notice, specifying the matters to be discussed, publicity or depositing the Management Report containing the reasons for the proposal, and warning about the possibility of exercising withdrawal rights by absent or dissenting shareholders.

**ARTICLE 54.** The Assembly of Shareholders shall hold an ordinary meeting each year, before March 31, so as to examine the Company's situation, appoint Company managers and other officers who must be appointed by the shareholders, determine the Company's economic guidelines, consider the reports, general-purpose financial statements, year-end accounts, decide upon the distribution of profits, and agree on all those measures that are considered appropriate in order for the Company to fulfill its business purpose.

The date of the meeting shall be established by the Board of Directors, and notice for such, as ordered by the Board of Directors, shall be given by the Chief Executive Officer.

Should notice not be given for a meeting, the Assembly of Shareholders shall meet in their own right on the first business day of April at 10 o'clock in the morning (10.00 a.m), at the Company's main administrative offices located at its registered place of domicile, and shall convene and validly decide upon matters with a plural number of persons attending, whatever the amount of shares therein represented.

**ARTICLE 55.** Extraordinary meetings shall be held whenever the Company has an urgent or unexpected need for such, notice of which shall be given by the Board of Directors, the Chief Executive Officer, or the Statutory Auditor, or upon the initiative or at the request of a number of shareholders representing one quarter part (1/4) of the Company's capital stock or by a number of shareholders that represent at least twenty per cent (20%) of the Company's subscribed shares in the case of discussing whether to take derivative action against members of Company Management.

At the extraordinary meetings of the Assembly of Shareholders, no matter other than those stated on the agenda contained in the notice for said meetings can be discussed, except when the Assembly of Shareholders shall decide to do so upon a simple majority vote, and in any case by the

same majority vote in the case of filing a derivative action against members of Company Management.

**ARTICLE 56.** Except in the case of the entire amount of subscribed shares being represented, the meetings held by the Assembly of Shareholders shall take place at the Company's main place of domicile on the date, at the time and in the place stated on the notice for the corresponding meeting.

**ARTICLE 57.** The Assembly of Shareholders may meet in any place, and validly deliberate and decide on any matter brought forth without giving any advance notice of such, providing the entire number of subscribed shares are duly represented.

**ARTICLE 58.** Quorum shall be obtained at any ordinary or extraordinary meeting attended in person by the Assembly of Shareholders, with a plural number of shareholders representing at least half plus one of the Company's total subscribed shares.

Should the meeting not be held due to lack of quorum, a new meeting shall be called, where matters shall be validly decided upon with one or various shareholders, whatever the amount of shares therein represented. This new meeting must be held not before ten (10) days and no longer than thirty (30) days, both terms of business days, beginning on the date established for the first meeting.

**PARAGRAPH 1.** Any amendments to Company bylaws as well as creating preferred shares can only be discussed and approved at meetings where an ordinary quorum, as stipulated in the first part of this Article, is obtained.

**PARAGRAPH 2.** The Company's own repurchased shares held in its possession may not be included, in any event, when calculating the quorum for said meetings, neither shall they be borne in mind for deliberating and voting on the matters brought forth.

**ARTICLE 59.** The Assembly of Shareholders shall have the following functions.

- a) To appoint and freely dismiss the members of the Board of Directors, the Statutory Auditor and their corresponding alternates.
- b) Establish, by means of a written or non-written ballot, the remuneration for the members of the Board of Directors and the Statutory Auditor;
- c) Examine, approve, reject or modify the year-end financial statements and to conclude at first sight all those accounts that the Board of Directors and the Chief Executive Officer must render each year, or whenever the Assembly of Shareholders should so require.
- d) Appoint, from amongst its members, a commission made up of a plural number of shareholders in order to study the accounts and financial statements submitted for its consideration when these shall not have been approved by the Assembly of Shareholders, and to inform the Assembly within the term specified for this purpose.
- e) Consider the Management Report presented by the Board of Directors and the Chief Executive Officer regarding the status of the Company's business, the proposed distribution of profits and any other proposal that the Board of Directors should present, as well as the Statutory Auditor's report and opinion on the financial statements and on how this tallies with that contained in the Company Management report.
- f) Dispose of any profits as contained in the Company's balance sheet, one this is approved subject to legal provisions and the rules and regulations set out in these bylaws. In exercising this attribution, the Assembly of Shareholders may set up voluntary or occasional reserves for a specific purpose and establish the value of the dividend along with the form and term in which it is to be paid.

- g) Dispose of the transfer or change in assigning the occasional or voluntary reserves, the distribution of these same and their capitalization, when these become unnecessary.
- h) Decree donations in favor of educational or charitable projects or for community purposes or for the benefit of the Company's own employees.
- i) Appropriate profits to make up reserves for acquiring shares issued by the Company, subject to all that stipulated in current legislation.

With regard to said appropriations the Board of Directors shall be authorized to use the reserve in accordance with the purpose for which it was set up, providing that the shares that are to be acquired are completely paid up and all applicable legislation regarding trading shares on the stock market is duly observed.

- j) Arrange for a specific issue or quantity of shares pertaining to the Company's stock capital to be placed without preference for the shareholders, this by means of a special majority vote as specified in Article 32.
- k) To create shares in exchange for services or for retired share benefits and to issue the corresponding regulations; arrange for the issue of shares stipulated in Article Eleven (11) of these bylaws, determine the nature and extent of the privileges or economic prerogatives pertaining to the preferred shares, decrease or cancel these in accordance with that set out in these bylaws and in legal provisions; and with respect to non-voting preferred shares, arrange for their issue and approve the corresponding subscription regulations or delegate said regulations to the Board of Directors;
- l) Order the issue of bonds and regulate these or delegate the approval of the corresponding prospectus to the Board of Directors, on the basis that, according to the law, shall determine the Assembly of Shareholders:
- m) Decide on any merger between the Company and another or other companies, together with any spin-offs, conversion, the dissolution or the extending of its duration, the selling, transfer or leasing of the Company or the entire amount of its assets and any amendment, extension or modification to be made to its bylaws.
- n) To order any legal action to be taken against Company managers, officers, directors or the Statutory Auditor;
- o) Appoint, in the case of dissolving the Company, one or several liquidators, and an alternate for each one of these; to dismiss these, establish their remuneration, and provide them with orders and instructions governing the liquidation as well as to approve the accounts rendered by these. While a liquidator and his or her alternate is being appointed and said appointment is being registered, the Company's Chief Executive Officer shall act as liquidator at the moment the Company commences liquidation proceedings, and his alternates shall be the same alternates he or she has as Chief Executive Officer, in the same order they were appointed.
- p) To adopt, in general, all those measures that are entailed in fulfilling that stipulated in these bylaws and that shall be in the common interest of the shareholders.
- q) All other functions that the law or these bylaws should provide for and that do not correspond to any other of the Company's governing bodies.

**ARTICLE 60.** The Assembly of Shareholders may delegate to the Board of Directors or to the Chief Executive Officer, one or several of its functions, providing these are by nature capable of being delegated and their delegation is not prohibited by law.

**ARTICLE 61.** All that occurring at the meetings held by the Assembly of Shareholders shall be recorded in the Company's Minutes Book, registered before the Chamber of Commerce located within the Company's registered place of domicile. Said meetings shall be signed by the Chairperson of these meetings along with the Secretary or the person replacing the Secretary, or in his or her absence by the Statutory Auditor, and shall be approved by a commission made up of three (3) persons appointed by the Assembly of Shareholders at this same meeting. The minutes shall contain the details and statements required by current legal provisions.

**ARTICLE 62.** Any agreement regarding amendments of the bylaws as well as any other decisions made by the Assembly of Shareholders with regard to matters that are incumbent on them, whatever their scope or nature, shall require simply a discussion at an ordinary or extraordinary meeting

## **CHAPTER XI**

### **Board of Directors**

**ARTICLE 63.** The Board of Directors shall be made up of seven (7) principal members, or in their absence, by their corresponding alternate members, all of whom are appointed by the Assembly of Shareholders for periods of two (2) years, but who may be reappointed indefinitely, and freely relieved from their duties at any time by the Assembly of Shareholders.

**PARAGRAPH:** Out of the seven (7) principal members, a minimum of two (2) members shall have an independent status, as shall their respective alternates; and this shall be verified and reported to the Assembly of Shareholders by the person chairing the meeting at which the corresponding appointments are made.

**ARTICLE 64.** The Chief Executive Officer shall not be a member of the Board of Directors, but shall attend all board meetings with the right to speak but not to vote, and shall not be remunerated for attending said meetings.

**ARTICLE 65.** Each principal member of the Board of Directors shall have their own individual alternate member and these shall replace the principal members whenever necessary

**ARTICULO 66.** Both the principal and alternate members of the Board of Directors may be freely dismissed by the Assembly of Shareholders and may not be replaced by means of partial ballots without proceeding with new appointments using the electoral quotient system, unless the vacancies are filled by means of a unanimous vote on the part of all the shares represented at the corresponding meeting.

**ARTICLE 67.** One or more alternate members of the Board of Directors may be called on to attend Board discussions, even when they do not have to attend, when in the opinion of the principal members the importance of the matter to be discussed warrants the presence of the alternate members. In this case, the alternate members shall have the right to speak at such discussions and shall be remunerated in proportion to the amount of fees established for the principal members, but their presence shall not be taken into account in making up the deliberating quorum.

**ARTICLE 68.** When due to the absolute absence of its members, the Board of Directors disintegrates completely, and there is more than a month to go before an ordinary meeting of the Assembly of Shareholders, the Chief Executive Officer shall call the Assembly of Shareholders to an extraordinary meeting in order to appoint a new Board of Directors for the rest of the period.

**PARAGRAPH:** The Board of Directors shall be understood to have disintegrated when due to the absolute absence of several of its members the others are unable to form a quorum.

**ARTICLE 69.** The principal member or acting alternate member, who without having excused his or her absence beforehand to the Board of Directors, should fail to attend more than two (2)

consecutive meetings, having been given notice of such beforehand, shall lose his capacity as board member.

**ARTICLE 70.** Members of the Board of Directors, in performing their functions, shall receive an amount of fees to be determined by the Assembly of Shareholders, by means of a written or non-written ballot. The alternate board members shall receive a proportional remuneration based on the fees established for the principal members and the number of meetings attended.

**ARTICLE 71.** The Board of Directors shall appoint a Chairperson from amongst its members, who shall preside over the meetings, and in his or her absence, the meetings shall be presided over by the principal members, in the same order as they were appointed.

**ARTICLE 72.** The Board of Directors shall meet whenever the Board, the Chief Executive Officer the Statutory Auditor or two principal members shall call for a meeting. Notice of extraordinary meetings shall be given at least one day beforehand; however, whenever all the members, whether principal or alternate are present, they may validly discuss matters regardless of the venue and may adopt decisions without the need for any prior notice to be given.

**PARAGRAPH.** Meetings to be attended in person shall be held at the Company's registered place of domicile or wherever this same Board of Directors should convene.

**ARTICLE 73.** The actual functioning of the Board of Directors shall be governed by legal provisions and by the following special rules and regulations:

1. The Board of Directors may not hold valid meetings attended in person without the Company's Chief Executive Officer or his or her acting alternate, except when one or the other, after being invited, refuses to attend.
2. The Board of Directors shall be able to discuss matters with the presence of four (4) of its members and this same majority shall be required to approve all decisions made, except when these bylaws or legal provision require a special majority vote;
3. If the draw occurs when voting on proposals or resolutions, these shall be understood to be rejected. Should the draw occur when appointing an officer, a new ballot shall be conducted, and should this end in draw, the appointment in question shall be understood to be suspended.
4. In all those cases, and with all those requirements established by law, the deliberations and decisions taken by the Board of Directors may be carried out by simultaneous or consecutive communication between all of its members, for example via phone, fax, radio or any other adequate means by which sound or images may be transmitted and received, providing this is duly recorded and kept as evidence.
5. Likewise, valid decisions may be adopted long distance by means of written votes, issued by all members of the Board in one single document or in several separate ones, which shall clearly contain the sense of the vote of each one of these, providing under penalty of the decisions being declared ineffective, that the document(s) are received by the Chief Executive Officer within a maximum term of one month, beginning on the date on which the first communication was received;
6. All meetings attended in person as well as the decisions adopted, as stipulated in the aforementioned sections 4 and 5, shall be recorded in the corresponding minutes to be kept in the Company's Minutes Book registered before the Chamber of Commerce of its place of domicile. These shall indicate the events and circumstances relative to the meeting if this was attended in person (time, date, name of those attending as principal or acting alternates, matters discussed, decisions adopted); or the means of communication employed, oral or written, in the case of a meeting not attended in person. These minutes

shall also contained the number of votes cast by each member in favor or against or in blank form, the reasons for abstaining from voting, the circumstances or relevant information that the Company Management provided in the corresponding discussions, the business or items discussed with respect to which there is a conflict of interest and the items placed on record by those participating in the discussions and decisions.

7. The minutes shall be signed by members of the Board attending the meetings for which they are approved and by the Chairman and the Secretary.

The minutes corresponding to meetings not attended in person shall be signed by the Chairman and the Secretary.

All minutes, without exception, shall be submitted for the approval of the members at the next Board meeting attended in person.

**ARTICLE 74.** It shall be understood that the Board of Directors shall be delegated with the broadest mandate to run the Company and therefore it shall have sufficient attributions to order any act or contract as part of its business purpose to be executed or entered into, and to adopt all the necessary decisions in order for the Company to fulfill its aims, and in particular shall have the following functions:

1. To appoint and freely dismiss the Company's Chief Executive Officer, the Vice-Presidents, the Company Secretary, the Legal Representatives for judicial, administrative and police matters, as well as to establish their salaries;
2. To create the posts of Vice-presidents, Branch Office Managers and any other positions considered necessary for the proper running of the Company, to establish their functions, attributions, remuneration; to appoint freely dismiss these.
3. To determine the order of precedence in which the Vice-Presidents, as substitutes, shall replace the Chief Executive Officer, in his or her temporary or incidental absences;
4. To establish the date for the ordinary meetings to be held by the Assembly of Shareholders, within the period stipulated in the Company's bylaws, and to call for extraordinary meetings to be held, pursuant to that set out in Article 55. In the event the meeting is requested by the shareholders, notice for said meeting shall be given within a period of fifteen (15) business days following the date on which the written request for such was received;
5. To regulate the placement of shares held in reserve in all those cases provided for in the Company's bylaws or when the Board of Directors has been delegated with this duty in the event of issues of shares that must be ordered or authorized by the Assembly of Shareholders.
6. To adopt all those accounting policies that must be implemented by the Company and determine all those technical methods and systems of an optional nature that must be deployed according to accounting regulations and statutory provisions.
7. To consider the trial balances and the financial statements for the interim financial statements as required by all those authorities in charge of inspecting, overseeing and controlling the Company.
8. To analyze beforehand the individual as well as consolidated, year-end financial statements, as prescribed by law and as applicable, which must be submitted to the Assembly of Shareholders for their corresponding approval. Also, to decide, in conjunction with the Company's Chief Executive Officer upon the terms contained in the Management Report and the proposed distribution of profits or the wiping out of losses that are to be presented for the consideration of the Assembly of Shareholders at their annual ordinary



meeting together with all the additional financial information and statistics, as required by law, as well as the Statutory Auditor's Report and Opinion.

9. To decide upon the how the appropriations, in the form of special funds or investment reserves, as ordered by the Assembly of Shareholders, are to be invested;
10. To regulate the placement of bonds on the basis decided upon by the Assembly of Shareholders, pursuant to the law;
11. When delegated by the Assembly of Shareholders, to decree all those donations in favor of charity, education, social purposes or the Company's own employees.
12. Authorize the setting up or elimination of branch offices or agencies.
13. To commence negotiations regarding the spin-offs involving the Company, mergers with other companies, active or passive take-overs, the transferring, selling or leasing of the Company or its entire assets and submit that agreed upon for the approval of the Assembly of Shareholders.
14. To authorize the setting up of individual companies, whether these be in the nature of limited liability, joint stock or subsidiary companies in order to carry out any of the activities pertaining to the Company's business purpose, as well as subscribing, transferring or selling shares, quotas or rights held in subsidiary companies or in any other company or enterprise as laid out in the Article 5 and subsection a) of Article 6 of the Company's bylaws.
15. To intervene in all those proceedings that the Company is not prohibited from carrying out, the purpose of which is to acquire, transfer, mortgage, tax or encumber real estate; change the form of these with regard to their nature or purpose, pledge moveable property, split up real estate; take out legitimate loans, and establish the basis on which the Chief Executive Office may enter into the corresponding contracts and agreements, except when these functions fall to the Assembly of Shareholders according to these statutes.
16. To determine at their own discretion, the indemnity payment, amongst others provided by law, that the Chief Executive Officer must require from shareholders who fall behind with the payment of their shares, should this be the case.
17. To grant authorizations to the Chief Executive Office and the members of the Board of Directors , in all those cases and complying with all those requirements provided by law, in order to transfer, sell or purchase Company shares.
18. To examine, whenever this is considered fitting, either personally or by means of one or several representatives that the Board of Directors should appoint, all the Company's books, documents, assets and areas;
19. To execute all that agreed upon by the Assembly of Shareholders, with the exception of al that relating to the distribution of profits that violate that provided by the law and the Company's bylaws, and its own agreements, and ensure that both legal provisions and the Company's bylaws, both those existing as well as those that should come into existence in the futures, are strictly complied with for the proper running of the Company;
20. To arrange for requests to be filed with regard to bankruptcy proceedings, when this is considered appropriate pursuant to the law;
21. To adopt the Code of Good Governance, approve any necessary amendments and updates made to such and ensure that these are effectively complied with;

22. To consider and respond to all those written complaints on the part of shareholders and investors who consider that their rights have been affected by failing to comply with any provision contained in the Code of Good Governance and, when applicable, order the respective officer to immediately comply with said rules and regulations;
23. To ensure that each shareholder and holder of securities issued by the Company receives fair treatment, and that each one obtains a complete and opportune reply to any query raised with regard to matters whose disclosure is obligatory and not prohibited by any legal provision or confidentiality agreement; as well as opportunely emitting share certificates and paying out the dividends and yields due, according to the decisions made by the Assembly of Shareholders.
24. To study and respond in writing to all those proposals presented by a plural number of shareholders representing no less than five per cent (5%) of the Company's subscribed shares;
25. To consider and decide upon, by means of a commission specially appointed for this purpose, all that concerning conflicts of interest arising between the shareholders and board members, company management or senior executives or between these and the Company or between the controlling shareholders and the minority shareholders;
26. To set up a Compensation Committee whose functions shall include: providing support for the Board of Directors in adopting compensation policies and systems, setting management goals and evaluating the performance of certain managers and executives
27. To set up a Finance and Auditing Committee, pursuant to that set out in Chapter XV of these bylaws, and any other committee that should be considered convenient;
28. To set up a procedure whereby the shareholders as well as the holders of Company securities may carry out specialized audits, at their own expense and under their own responsibility;
29. To act as a consulting body for the Chief Executive Officer, and generally speaking, carry out any other function that may be conferred by these bylaws.

**ARTICLE 75.** The Board of Directors may delegate to the Chief Executive Officer, whenever considered appropriate or for special cases or for a limited period of time, any of the functions listed in the aforementioned article, providing these are capable of being delegated.

## **CHAPTER XII**

### **Chief Executive Officer**

**ARTICLE 76.** An employee called a Chief Executive Officer shall be responsible for the direct running of the Company as well as representing the Company in both a judicial and extrajudicial capacity and managing its corporate business. The Chief Executive Officer shall be appointed by the Board of Directors for periods of two (2) years, and may be reappointed indefinitely or freely dismissed by the Board at any time. All the Company's employees, except the Statutory Auditor and his or her subordinates, if applicable, shall be subject to the Chief Executive Officer with regard to the performance of their duties.

**ARTICLE 77.** The Chief Executive Officer shall spend his or her time in carrying out his or her functions and may only perform other tasks in the case of unavoidable positions that he or she cannot be exempted from according to the law, or in posts that are incompatible with that of Chief Executive Officer, upon having obtained express authorization on the part of the Board of Directors.

**ARTICLE 78.** In the temporary or incidental absence of the Chief Executive Officer, he or she shall be replaced by the Vice-presidents in the order designated by the Board of Directors, and in the absence of these by the principal members of the Board of Directors in the order they were appointed. In the case of the absolute absence of the Chief Executive Officer, this being understood as in the event of his or her death, an accepted resignation or the failure to perform the job for more than thirty (30) consecutive days without having been given leave to do so, the Board of Directors shall appoint a new Chief Executive Officer for the rest of the period; while a new Chief Executive Officer is being appointed, the corresponding functions shall be carried out by his or her alternates, as stated in this Article, as applicable in his or her temporary absences.

**ARTICLE 79.** As the Company's legal representative in both a judicial and extrajudicial capacity, the President has the power carry out or execute, without any other restriction other than those laid out in the Company's bylaws with regard to all those operations that must be previously authorized by the Board of Directors or the Assembly of Shareholders, all those acts and contracts included in its corporate purpose or that are of a mere preparatory, supplementary or complementary nature in order to carry out the Company's business purpose as well as those that are directly related with the existence or the running of the Company.

The Chief Executive Officer is invested with special powers with regard to the Company's business to reach settlements and compromises, submit matters to arbitration proceedings (friendly or otherwise) or to encourage or help to establish actions of a legal, administrative, contentious-administrative nature that are of interest to the Company or must intervene and lodge all those appeals pursuant to the law; desist from filing any action or appeal, novate obligations or credit, subscribe credit securities; providing there is an obligation in consideration of such in favor of the Company, give or receive goods in the form of payment, establish judicial and extrajudicial representatives, delegating faculties to these and revoking or substituting their corresponding mandates

**PARAGRAPH:** The Company shall have two (2) legal representatives for judicial, administrative and police purpose who shall represent the Company before any judicial, administrative or police authority, and shall act individually and be appointed by the Board of Directors.

**ARTICLE 80.** The Chief Executive Officer shall have the following attributions:

- a) To execute all that decreed by the Assembly of Shareholders as well as the resolutions taken by the Board of Directors.
- b) To ensure that all the Company's employees fulfill their duties in a satisfactory fashion; to dismiss all those who depend on the Chief Executive Officer whenever deemed necessary, and to appoint the corresponding replacements.
- c) To appoint all those judicial and extrajudicial representatives that are considered necessary so that these, acting under the orders of the Chief Executive Office, may represent the Company, as well as to determine their corresponding faculties, with prior authorization from the Board of Directors whenever this has to do with establishing representatives of a general nature
- d) To execute all those acts and contracts with regard to fulfilling the Company's corporate purpose, after submitting all those matters in which the Chief Executive Officer must intervene as provided by both the law and the Company's bylaws for the consideration of the Board of Directors.
- e) To provide due care to collecting and investing Company funds as well as all those securities that belong to the Company or are received by the Company for their safekeeping and shall ensure that these are maintained with the required security measures.

- f) To attend all those meetings of the Assembly of Shareholders or the Boards of Directors of all those companies, corporations or communities in which the Company holds a stake, as well as to vote at said meeting in representation of the Company according to the instructions that should be given by the Board of Directors.
- g) To call the Assembly of Shareholders to extraordinary meetings.
- h) To visit all those areas of the Company whenever this is considered convenient.
- i) To carry out all those functions that may be expressly delegated to the Chief Executive Officer by the Assembly of Shareholders or the Board of Directors whether these are of a transitory nature or for special cases.
- j) To comply with, disseminate and enforce the Code of Good Governance
- k) Communicate to the market at large, all those relevant and material events affecting the Company as well as the main risks offered, by opportunely remitting the corresponding information to the Colombian Superintendency of Finance and to the different stock exchanges where the Company shares are listed. This in order to apprise the shareholders and investors of all those relevant events, acts and operations relating to the Company that could in some way affect them as stakeholders.
- l) To establish and maintain adequate systems and procedures for the disclosure and control of financial information and to ensure that said information is adequately reported. Also, to ensure that the established controls are in proper working order and that the Management Report drawn up for the Assembly of Shareholders contains an evaluation of the performance of these disclosure and control systems and procedures.
- m) To inform the Finance and Auditing Committee, the Statutory Auditor and the Board of Directors, of all those significant deficiencies detected in the operating design of the internal controls that may have prevented the Company from adequately recording, processing, summarizing or reporting the corresponding financial information. Also, to report any cases of fraud that could have affected the quality of the Company's financial information, as well as any changes in the methodology used to evaluate such information.
- n) Any other attributions that the law should confer on the Chief Executive Officer

## **CHAPTER XIII**

### **Company Secretary**

**ARTICLE 81.** The Company shall have a Company Secretary who shall be freely appointed and dismissed by the Board of Directors, who shall act as Secretary to the Assembly of Shareholders, the Board of Directors and the Chief Executive Officer.

**ARTICLE 82.** The Company Secretary shall have the following attributions:

- a) Maintain, pursuant to that provided by law, the minute books corresponding to meetings of the Assembly of Shareholders and Board of Directors as well as authorize by means of his or her signature all those copies made thereof;
- b) Deal with all that relating to issuing security certificates, registering documents or records in the Company's Share Register and countersigning the share certificates;
- c) Provide notice of board meetings to all its members.

- d) Organize the Company's archives, as head of this department, and ensure the proper safekeeping of books, documents, receipts and other items that he or she may be entrusted with;
- e) Maintain in order and up-to-date, filling all those legal requirements, insurance policies, public deeds and other documents relating to the Company's ownership and possession of its assets and rights.
- f) Any other special attributions that may be conferred by the Assembly of Shareholders, the Board of Directors or the Chief Executive Officer.

**ARTICLE 83.** The Board of Directors may create the post of Assistant Company Secretary, who shall be appointed and dismissed by the Board, establishing his or her corresponding functions. The Assistant Company Secretary may replace the Company Secretary in all his or her absolute, temporary or incidental absences.

## **CHAPTER XIV**

### **Statutory Auditor**

**ARTICLE 84.** The Statutory Auditor shall be appointed for periods of two (2) years by the Assembly of Shareholders at their ordinary meetings but may be reappointed indefinitely and dismissed at any time by the same shareholders. The Statutory Auditor shall have two (2) alternates who shall replace the principal Statutory Auditor in his or her temporary or absolute absences, these in the same order as they were appointed. These alternate Statutory Auditors shall be appointed in the same way and for the same period as the principal Statutory Auditor.

**PARAGRAPH.** Company Management shall guarantee that the Statutory Auditor is appointed in a transparent and objective fashion and his or her remuneration shall be established according to prevailing market parameters.

**ARTICLE 85.** The Statutory Auditor and his or her alternates shall be public accountants and shall remain subject to all those disqualifications, prohibitions, incompatibilities and responsibilities provided by law.

The Statutory Auditor shall be prohibited from entering into any agreements with Company, either directly or via third persons.

**ARTICLE 86.** The Statutory Auditor shall have the same functions, attributions, duties, faculties and responsibilities as set out in the Code of Commerce, Law 43 of 1990, Law 222 of 1995, and any other supplementary provisions of a legal or regulatory nature that may regulate the accounting profession in Colombia, and particularly the auditing of accounts. Furthermore the Statutory Auditor shall carry out the following statutory functions:

- a) To ensure that the Company's insurance policies covering fire, transport, civil responsibility and any other policy governing the Company's assets, obligations, deeds and operations or its representatives or employees by reason of their own acts in the performing of their duties, are opportunely issued, renewed, adjusted and maintained by means of the opportune payment of the corresponding premiums;
- b) Visit at least once a year, either personally or delegating others, the Company's agencies and areas;
- c) To opportunely communicate to the Company's Chief Executive Officer all relevant and material findings as a result of his or her auditing work or to the Board of Directors should these implicate the Chief Executive Officer or the Company's senior executives. Information that if considered relevant and material for the shareholders shall be communicated by the Chief Executive Officer and the Board of Directors, where

applicable, to the Colombian Superintendency of Finance and to the stock exchanges where the Company's shares are listed.

- d) To comply with any other attributions that shall be conferred by law or these bylaws as well as those that are compatible with prevailing legislation and that shall be assigned by the Assembly of Shareholders.

## **CHAPTER XVI**

### **Finance and Auditing Committee**

**ARTICLE 87.** The Board of Directors shall set up a Finance and Auditing Committee made up of four (4) principal or alternate board members, including as a minimum the same number of independent principal members.

**ARTICLE 88.** This Committee shall hold meetings every three months at a minimum, which shall be attended by the Statutory Auditor, who shall be entitled to speak but not to vote and presided over by one of the independent board members. It shall adopt decisions by simple majority vote and these shall be recorded in the corresponding minutes to said meetings. The functions of this Committee shall be:

- a) To oversee compliance with internal audit programs, which must take into account the risks offered by the business, its needs, objectives, goals and strategies. Also to comprehensively evaluate all the areas of the Company.
- b) To ensure that the Company's financial information is prepared, presented and reported according to that provided by law.
- c) Consider the financial statements before these are presented to the Board of Directors and the Assembly of Shareholders.
- d) Provide support for the Board of Directors when taking decisions referring to the Company's financial situation, internal control and the effectiveness of this system.

## **CHAPTER XVI**

### **Financial Statements, Reserves and Dividends.**

**ARTICLE 89.** The Company's fiscal year shall be the same as the calendar year. Therefore, each year on December 31, the Company shall close its accounts so as to prepare its general-purpose financial statements, both individual and consolidated, as required by law, pursuant to statutory provisions and the established accounting standards. Said financial statements, duly certified and approved, shall be submitted for the consideration of the Assembly of Shareholders at their ordinary meetings, together with all complementary financial information as required by legal and statutory provisions, together with all those reports, proposals and other documents and exhibits required by law.

Said financial statements, once approved by the Assembly of Shareholders, shall be disclosed and published as prescribed by law and the Company's bylaws.

For all those periods that the Board of Directors should indicate, trial balances and analyses of results are to be prepared for administrative purposes. Also, at the same frequency that the general official regulations shall determine, interim financial statements shall be produced as required by the government authority in charge of inspecting, overseeing and controlling the Company.

**ARTICLE 90.** Authenticated copies of both the general-purpose and the interim financial statements shall be sent to the government authority in charge of inspecting, overseeing and controlling the

Company, according to statutory provisions, together with any other documents that may be required.

**ARTICULO 91.** No profits shall be distributed without these being firmly based on the basic general-purpose financial statements duly approved by the Assembly of Shareholders. Neither shall profits be distributed before losses from prior periods affecting capital have been duly wiped out; losses affecting capital shall be understood as those that reduce the Company's equity to below the value of its subscribed capital.

**ARTICLE 92.** Profits from each fiscal year, as established in the year-end Balance Sheet, that shall have been duly approved by the Assembly of Shareholders, shall be distributed according to that provided by the following rules and regulations and legal provisions:

- a) Ten per cent (10%) of net profits, after the provision for income and complementary taxes is duly deducted, shall be placed in the Company's legal reserve until the amount equivalent to one hundred per cent (100%) of the Company's subscribed capital is reached.

Once this limit is reached, the Assembly of Shareholders may decide to continue to increase this legal reserve; however, should the amount of this reserve drop, it shall be obligatory to appropriate ten per cent (10%) of the Company's net profits until said limit is once again reached.

- b) Should any losses from prior fiscal years not be wiped out, thereby affecting capital, the profits obtained shall be used to wipe out said losses, before any appropriation is made either for the Company's legal reserve or its voluntary reserves;
- c) Afterwards all those appropriations for other occasional or voluntary reserves may be made, pursuant to all that required by law and duly approved by the Assembly of Shareholders, either on its own initiative or upon the recommendation of the Board of Directors. Such reserves shall have a specific and clear purpose, and shall be binding for the fiscal year for which they are set up, but any change in their purpose and or subsequent distribution may only be authorized by the Assembly of Shareholders.
- d) Appropriations for creating or increasing occasional or voluntary reserves, requires the approval of a plural number of shareholders on the part of seventy-eight per cent (78%) of the shares represented at the corresponding meeting, should these affect the minimum percentage of profits that the law provides to be distributed amongst the shareholders in the form of a dividend, pursuant to that laid out in Articles 155 and 454 of the Code of Commerce.
- e) Any profits left over, after making the appropriations for the legal reserve or for the voluntary or occasional reserves, shall be applied to the payment of dividends to the shareholders in the same proportion as the number of shares held by each.

**ARTICLE 93.** Should the Assembly of Shareholders so decide, dividends may be paid in the form of paid-up shares. The decision to pay dividends in kind shall be binding on the shareholders, when this is approved by eighty per cent (80%) of the shares represented at the corresponding meeting. Upon failing to obtain this majority, it shall be up to the shareholder to receive the dividend either in the form of shares or in cash.

**ARTICLE 94.** According to the procedure established in the preceding article, and providing this is permitted by law, the Assembly of Shareholders may also convert any reserve that may have been freed up or any other capitalizable surplus in subscribed capital by issuing shares held in reserve and distributing these amongst the shareholders as a dividend in kind in the same proportion as the amount of shares held by each.

**ARTICLE 95.** As part of the procedure established in the preceding article, and providing this is permitted by law, the Assembly of Shareholders may also convert any special fund or reserve into share capital by placing shares held in reserve and distributing these amongst the shareholders in the form of dividends, in the same proportion as the shares held by each.

**ARTICLE 96.** The Company shall not pay out any interest on any dividend that was not opportunely claimed, and said dividends shall be kept in the Company's safe, remaining readily available to their owners.

**ARTICLE 97.** Dividends that are not claimed within ten (10) years following the date on which these become due and payable, as decreed, shall be considered no longer due and payable and instead shall be deposited in a special income account.

## **CHAPTER XVII**

### **Amendments to the Bylaws**

**ARTICLE 98.** All those resolutions regarding the amending, extending or modifying the Company bylaws shall be approved at one single session that shall take place at an ordinary or extraordinary meeting of the Assembly of Shareholders, following, whenever applicable, all those formalities and the term of the notice of the meeting in all those cases where a special notice is required according to the Paragraph contained in Article 53 of these bylaws.

Once approved by the Assembly of Shareholders, the respective resolutions shall be legalized by the Company's Chief Executive Officer, as prescribed by law, without any special authorization being required by the Assembly of Shareholders, upon complying with all applicable requirements.

## **CHAPTER XVIII**

### **The Dissolution and Winding Up of the Company**

**ARTICLE 99.** The Company shall be dissolved on all those grounds generally provided for by law for a commercial company; and on all those special grounds provided for by Commercial Law in the case of stock companies, and as an exceptional case, and at any time, due to the specific decision on the part of the Assembly of Shareholders which shall be approved and legalized in the manner provided for amendments made to Articles of Incorporation.

**ARTICLE 100.** Whenever losses are sustained that reduce the Company's net equity to below fifty per cent (50%) of the Company's subscribed capital this shall not give rise to its immediate dissolution since the Assembly of Shareholders may adopt or arrange measures to be taken in order to restore the Company's equity to above the stated limit, within six (6) months following the date of the balance sheet showing the stated losses.

Should said measures not be adopted within the stated term, the Assembly of Shareholders shall declare the dissolution of the Company in order to proceed with its winding up.

**ARTICLE 101.** Should the Company be wound up for whatever reason, notice of such shall be published in one or several widely-circulating newspapers within the Company's place of domicile, and wherever the Company should have set up agencies, branches or offices, during a period of three (3) consecutive days or more or, failing that, using any other means of communication that the Company shall consider adequate.



**ARTICLE 102:** Once the Company is dissolved on any grounds, it shall proceed with the corresponding winding up and division of the Company's equity according to that prescribed by law, by the liquidator or liquidators to be appointed by the Assembly of Shareholders as part of the attributions conferred on them by that set out in Article 59 subsection ñ) of these bylaws.

**PARAGRAPH.** The Assembly of Shareholders may also arrange for the liquidators, when there are several of these, to act in conjunction in the form of a Liquidation Board, whose decisions shall be adopted by majority vote. In this case the Liquidation Board shall appoint one of its members to act before third parties with regard to all those external aspects of said liquidation, on behalf of the Company in said settlement procedure.

**ARTICLE 103.** The Company shall be wound up and its remaining equity divided up according to that provided by Commercial law and the Civil Code, whichever is applicable, while abiding by the following rules and regulations:

- a) The Assembly of Shareholders shall be given notice of meetings that shall be held within the periods, in the manner and according to the terms prescribed for ordinary and extraordinary meetings whenever said meetings shall be called by the Liquidator or the Liquidation Board, the Statutory Auditor or the authority in charge of controlling, inspecting and overseeing the Company, or whenever a group of shareholders representing at least one quarter part (1/4) of the Company's share capital shall so request said meeting. At these meetings the Assembly of Shareholders shall fulfill all those functions that are compatible with liquidation proceedings and particularly those regarding the free appointment, replacement and dismissal of the liquidator or liquidators and their alternates, require them to render accounts, determine the assets that must be distributed in kind, and establish priorities in order to realize said assets, as well as the form and terms for such, establish or negotiate with the liquidators the amount or form of compensation to be given in exchange for their services, and to adopt any other decisions that may be appropriate according to the law.
- b) The Assembly of Shareholders shall be authorized to determine which assets must be distributed in kind, establish the values of said assets or the manner in which said values are to be determined, establish forms to adjudicate these and authorize the liquidators to proceed with the corresponding distribution of such, according to all that required by law.
- c) The Assembly of Shareholders shall be empowered to authorize the adjudication of assets, on a *pro indiviso* basis by groups of shareholders and to encourage or propose plans for spin-offs by creating new companies; sell off assets by means of private auctions held amongst the same shareholders or inviting outside bidders, and arranging for other methods or legal means that are considered adequate.
- d) In the case of the liquidator or liquidators rendering accounts on a periodical basis or whenever requested, as well as authorizing payments in kind, granting special discounts or advantages to the Company's debtors, and conducting any transactions or waivers that are either necessary or fitting to facilitate or conclude the winding up procedure, an absolute majority vote of all the shares represented shall suffice.
- e) In order to approve the final settlement account and the corresponding Deed of Distribution, the affirmative vote of the majority of the shareholders attending the meeting shall suffice, whatever the number of shares therein represented.

**ARTICLE 104.** The liquidator shall have all those attributions conferred by law and that may be extended by the Assembly of Shareholders or divided amongst the different liquidators. All actions on the part of a single liquidator or multiple liquidators shall comply entirely with that provided by law as well as instructions issued by the Assembly of Shareholders.

## CHAPTER IX

### Miscellaneous Provisions

**ARTICLE 105.** In all those cases where these bylaws establish a term for the different appointments made, said term shall begin on the March 1 of each year. Therefore, whenever a Company manager or officer is appointed after this date, their appointment shall be understood to remain in force for the rest of the period in question.

**ARTICLE 106.** No employee shall desist from exercising their functions except upon handing over their posts to the person replacing them, except when otherwise required by the person appointing the employee.

**ARTICLE 107.** All those that agree to work for the Company shall be subject to that provided by the Company's bylaws and regulations.

**ARTICLE 108.** The Company's senior executives, employees, consultants and representatives are prohibited from disclosing to shareholders and third parties, any operations that they are carrying out or the status of the business they are conducting, except when the Board of Directors should so authorize or whenever the information shall have been lawfully disclosed.

**ARTICLE 109.** No shareholder, unless they are the Chief Executive Officer a member of the Board of Directors or an employee whose duties so require, may examine the Company's books, supporting documentation and any other of the Company's papers, except within the term provided by law for such. According to current legal provisions, shareholders may exercise their right to inspect and personally oversee, through their duly appointed representatives or attorneys, within a term of fifteen (15) business days immediately preceding the meeting of the Assembly of Shareholders where the year-end balance sheets are to be examined.

**PARAGRAPH.** So that the shareholders may exercise the aforementioned right, for which the general-purpose financial statements, both individual and consolidated, shall be made available to them at the Company's administrative offices located at its registered address, together with all those reports required by law, the proposed distribution of profits, together with the books and the other documents pursuant to legal rules and regulations. In the case of shareholders meetings that are called for a special reason, a report containing the actual proposal and reasons for such, to be submitted for the consideration of the Assembly of Shareholders at said meeting shall be made available to the shareholders during the term contained in the notice given for the respective meeting.