

**REPORT ON THE IMPLEMENTATION OF BEST CORPORATE PRACTICES**

**GRUPO ARGOS S.A.**

**PRIMARY LEGAL REPRESENTATIVE:  
JORGE MARIO VELAZQUEZ**

**LEGAL REPRESENTATIVE APPOINTED FOR SUBMITTING THE  
IMPLEMENTATION REPORT:  
MARÍA URIZA PARDO**

**REPORTING PERIOD:  
JANUARY TO DECEMBER 2018**

**REPORTING DATE:  
JANUARY 30, 2019**

## INTRODUCTION

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

The purpose of this report is to inform the securities market on whether or not each issuer has implemented the recommendations set out in the Code. To this end, next to each recommendation, there are three checkboxes for YES, NO and N/A., as well as a space to supplement your answer, as follows:

If the answer is “Yes”, the issuer must briefly describe how such implementation was made. If the answer is “No”, the issuer must explain the reasons for not implementing the recommendations.

The Issuer may answer “N/A” only when for legal reasons it is not possible to adopt the recommendation. In this case, the issuer must clearly specify the regulation that prevents it from doing so.

As some recommendations contain various specific aspects, it is important to note that these are only deemed to have been implemented if all of those aspects are met, unless there are legal reasons for not adopting some of them, in which case, it must be clearly indicated.

Each recommendation has a textbox to enter the date on which the issuer first implemented the recommendation. In addition, there is a textbox to enter the dates on which changes were made.

Finally, when, by its nature, the issuer does not have the specific body referred to in the recommendation, it will be understood that the recommendation refers to an equivalent body within the organization.

**I. RIGHTS AND EQUITABLE TREATMENT OF SHAREHOLDERS**

**Measure No. 1: Principle of equal treatment**

**1.1. The Company provides fair and equitable treatment** to all shareholders who, within the same class of shares, are in the same conditions. This does not imply providing privileged information to shareholders regarding other shareholders.

**1.1 Is this measure Implemented?** YES  NO  N/A

<p><b>YES. Describe briefly:</b></p> <p>The Company has different means to ensure adequate and equal access to information for its shareholders, among others, the following should be highlighted:</p> <p>A. Investor Relationship Management: Depends directly on the Company's Corporate Finance Vice President and its main function is to maintain a fluid and permanent communication with all investors;</p> <p>b. Shareholder Service Center: It is managed by Fiduciaria Bancolombia. It is under a contract that was signed over 10 years ago. They are in charge of answering any concerns that may come up from the shareholders, as well as meeting the requirements that they make in their condition as shareholders, such as transfer management outside of stock exchange, issuance of certificates, and others;</p> <p>c. Quarterly Conference Call where the financial results of the Company are reported in detail and investors can have direct interaction with the Company's CEO and the Senior Management;</p> <p>d. Web page: It is permanently updated in order to provide the shareholders and the public market in general with timely information regarding the relevant aspects of the Company. Likewise, both shareholders' rights and obligations are inherent here.</p>
<p><b>NO. Explain:</b></p>
<p><b>NA. Specify which regulations prevent it from adopting the recommendation:</b></p>

<b>Date of Implementation</b>	25-08-2004
<b>Date of the amendment</b>	

**1.2. The Board of Directors has approved a specific procedure** defining the practices of the Company regarding the interaction with different types of shareholders, in areas such as, access to information, handling requests for information, communication channels, interaction between shareholders and the company, its Board of Directors and other Directors.

**1.2 Is this measure implemented?** YES  NO  N/A

<p><b>YES. Describe briefly:</b></p>
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<p><b>NO. Explain:</b>                  Although the company has different mechanisms to interact with shareholders and investors which are specified in the Information Disclosure Policy approved in November 2018, a specific procedure has not been formalized taking into account the condition of each of the different types of shareholders</p>
<p><b>NA. Specify which regulations prevent the Company from adopting the recommendation:</b></p>

<b>Date of Implementation</b>	
<b>Date of the amendment</b>	

**Measure No. 2: Information of Shares**

2.1. The Company, through its website, **discloses to the public** the different classes of **shares issued by the company**, the number of shares issued for each class and the number of shares in reserve, as well as the rights and obligations attached to each class of shares, in a clear, complete and accurate manner

2.1 Is this measure implemented? YES  NO  N/A

<p><b>YES. Describe briefly:</b>                  The Company has a website where all the information regarding the two types of shares issued by the Company is available (ordinary and preferential), as well as the number of shares repurchased and shares in reserve.                   Likewise, detailed information regarding the rights and obligations of shareholders and investors is available on the website</p>
<p><b>NO. Explain:</b></p>
<p><b>NA. Specify which regulations prevent the Company from adopting the recommendation:</b></p>

<b>Date of Implementation</b>	24-10-2007
<b>Date of the amendment</b>	

**Measure No. 3: No dilution of equity**

3.1. For transactions that may result in the dilution of the shareholding of minority shareholders (in the case of a capital increase waiving the right of first refusal in the subscription of shares, a merger, spin-off or segregation, among others), the Company explains in detail to the shareholders in a report by the Board of Directors, and with an independent external adviser's fairness opinion, appointed by the Board. These reports are made available to the shareholders in advance of the Meeting, within the terms for exercising the right of inspection.

3.1 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Good Governance Code (Chapter I, section 1 (f)) establishes that In the event of a merger, spin-off, carve-out or transformation that may lead to the dilution of the capital of minority Shareholders, within the term to exercise the right of inspection, they must receive a detailed explanation of said transaction, by means of a prior report submitted by the Board of Directors, which must be accompanied by a fairness opinion on the terms of the respective transaction issued by an widely recognized external independent advisor, to be appointed by the Board of Directors.	
NO. Explain:	
<b>NA. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of Implementation</b>	25-11-2015
<b>Date of the amendment</b>	

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

**4.1. The Company has a corporate website**, in Spanish and English, with links to Corporate Governance and shareholders and investors relations or equivalent, that includes financial and non-financial information in the terms proposed in Recommendations 32.3 and 33.3, and that, in no case may include confidential information or trade secrets concerning the Company, or information whose disclosure may be used to the detriment of the Company.

4.1 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Company has a website in Spanish and English in which all the information suggested by the Country Code Recommendations 32.3 and 33.3 is included, as well as the information required by the IR Recognition by the Stock Exchange of Colombia. It is important to note that although the website exists since 2004, the necessary adjustments to comply with the Country Code Recommendations noted above were made in 2014.	
NO. Explain:	
<b>NA. Specify which regulations prevent the company from adopting the recommendation:</b>	
<b>Date of Implementation</b>	30-10-2014
<b>Date of the amendment</b>	

**4.2. The company has mechanisms for permanent and exclusive access and use by shareholders**, such as a link on the website for exclusive access by shareholders, or shareholders and investors service office, regular informational meetings, among others, where they can express their opinions or raise concerns or make suggestions about the development of the company or those related to their status as

shareholders.

4.2 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b>	
The Company has a webpage that is permanently accessible to its shareholders and investors. Additionally, as indicated in the answer 1.1 above, the Company has an Investor Relations Office, a Shareholder Service Center and holds quarterly conference calls where current and potential investors can find the results of the company. These mechanisms were implemented in the Good Governance Code adopted by the Company in 2004 which were inspired by the recommendations made at that time by the Stock Exchange of New York and recently regulated through the Information Disclosure Policy approved by the Board of Directors in November 2018.	
<b>NO. Explain:</b>	
<b>NA. Specify which regulations prevent the company from adopting the recommendation:</b>	
<b>Date of Implementation</b>	25-08-2004
<b>Date of the amendment</b>	28-11 2018

4.3. **The company holds meetings** to present the company's quarterly earnings, aimed at its shareholders and market analysts, either in person or through means of distance communication (conference calls, video-conferencing, etc.).

4.3 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b>	
The Company schedules quarterly conference calls where the President of the Company explains in detail the Company's profit (loss) situation. This mechanism was implemented from the time the Country Code Recommendations were adopted as per Circular 028 of 2007. The historical since 2012 of these quarterly telephone conferences can be found on the website ( <a href="http://www.grupoargos.com">www.grupoargos.com</a> ).	
<b>NO. Explain:</b>	
<b>NA. Specify which regulations prevent the company from adopting the recommendation:</b>	
<b>Date of Implementation</b>	24-10-2007
<b>Date of the amendment</b>	

4.4. **The Company organizes or participates in presentations, events or fixed income forums**, aimed mainly at debt instrument investors and market analysts, where the issuer's business indicators, liabilities management, financial policy, ratings and the issuer's performance with respect to covenants, etc. are updated.

4.4 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Company periodically makes presentations to potential investors and market analysts. Additionally, when new shares are issued, it holds meetings with potential investors both in Colombia and abroad and also participates in events organized for this purpose and promotes the Stock Exchange.	
<b>NO. Explain:</b>	
<b>NA. Specify which regulations prevent the company from adopting the recommendation:</b>	
<b>Date of Implementation</b>	24-10-2007
<b>Date of the amendment</b>	

4.5. The Company's Bylaws provide that a shareholder or group of shareholders representing at least five percent (5%) of the share capital may request that Specialized Audits be performed on matters other than those audited by the Statutory Auditor of the Company. Based on the capital structure, the Company may determine a percentage lower than five percent (5%).

4.5 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> Although the majority of 5% to request this type of audit was included into the Bylaws by means of a reform which was implemented in March 2015, the possibility of carrying out specialized audits upon shareholders' request has existed since 2004. Several of them were adopted according to the recommendations that the New York Stock Exchange had made for that time. It was previously required that the requests be made by shareholders representing at least 15%.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the company from adopting the recommendation:</b>	
<b>Date of Implementation</b>	25-03-2015
<b>Date of the amendment</b>	

4.6. To exercise this right, the Company has a written procedure with the provisions contained in Recommendation 4.6.

4.6 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> Since 2007, the Company has a procedure to carry out specialized audits that shareholders wish to perform. In the new Code of Good Governance implemented by the Company in 2015, the suggestions contained in this procedure were included in the aforementioned recommendation 4.6, and which had not been covered in the previous procedure. The right of shareholders to request the performance of specialized audits, as well as the applicable procedure, is included in Chapter 1, section 1, section E of the Code of Good Governance.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of Implementation</b>	24-10-2007
<b>Date of the amendment</b>	25-11-2015

**Measure No. 5: Directors actions regarding changes in operations or takeover of the company.**

**5.1.** Members of the Board and Senior Management have expressly accepted in their Letters of Acceptance or Contracts that in the event of a Takeover bid or other relevant events, such as mergers or spin-offs, there will be periods during which they undertake not to trade company shares, either directly or indirectly through a third-party

**5.1 is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Code of Good Governance implemented by the Company establishes that the members of the Board of Directors and Senior Management require authorization to negotiate Company shares or any shares of its subsidiaries that are registered in the Stock Exchange. Transactions may only be executed within 15 trading days following the date on which the quarterly results of the Company or of the respective subsidiary have been disclosed to the market, provided that there are no restriction periods for confidentiality reasons, and/or before projects of material relevance.  Additionally, it is established that the applicant for the authorization will be responsible for verifying that both at the time of requesting the authorization and after performing the operation, he/she is not misusing privileged information.  The applicant for the authorization must commit to maintaining the shares or securities for a minimum period of 3 years.  It should be noted that in the Declaration of Potential Sources of Conflicts of Interest which members expressly subscribe to annually, they must commit to comply with the Code of Conduct guidelines and in turn the Code of Good Governance on the matter of Personal Investments  Additionally, the letters of acceptance of the members of the Board of Directors expressly state that they will request the authorizations required to negotiate securities or shares issued by Grupo Argos or its subsidiaries and declare that they know of the existence of periods during which it is not feasible to negotiate, directly or indirectly through interposed individuals, such securities.
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<b>NO. Explain:</b>	
<b>NA. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of Implementation</b>	25-11-2015
<b>Date of the amendment</b>	

### Measure No. 6: Listed companies grouped into Conglomerates

- 6.1. Notwithstanding the independence of each individual company of the Conglomerate and the responsibilities of their Boards of Directors, there is an organizational structure of the Conglomerate defining, for the three (3) governance levels – Shareholders Meeting, Board of Directors and Senior Management - bodies and key individual positions as well as the relationships between them, which is public, clear and transparent, and allows determining clear lines of responsibility and communication, and facilitates strategic guidance, supervision, control and effective management of the Conglomerate.

6.1 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b>	
<p>In December 2015, the Board of Directors of Grupo Argos adopted the Policy on Relationships between companies of the Argos Corporate Group which regulates the following matters applicable to the Group:</p> <ul style="list-style-type: none"> <li>(i) Unified Purpose and Direction;</li> <li>(ii) General Corporate Strategy;</li> <li>(iii) Conduct Principles;</li> <li>(iv) Protection to Minority Shareholders;</li> <li>(v) Corporate Structure;</li> <li>(vi) Relationship Model;</li> <li>(vii) Synergies;</li> <li>(viii) Guidelines and Policies;</li> <li>(ix) Information Management</li> <li>(x) Transactions between Related Parties;</li> <li>(xi) Control Architecture</li> <li>(xii) Resolution of Conflicts</li> </ul> <p>This document was released through the relevant information communication mechanism and it is available for consultation on the webpage of the Company (<a href="http://www.grupoargos.com">www.grupoargos.com</a>) in the tab "Corporate Governance/Best Practices".</p> <p>Likewise, during 2016, this policy was approved by the Board of Directors of the subsidiaries of Grupo Argos.</p>	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of Implementation</b>	16-12-2015

<b>Date of the amendment</b>	
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**6.2. The parent company and its major subsidiaries have defined an institutional relations framework** through the signing of a public agreement approved by the Board of Directors of each company, which regulates the issues contained in Recommendation 6.2.

**6.2 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly</b>	
<p>In December 2015, the Board of Directors of Grupo Argos adopted the Policy of Relationship between companies of the Argos Corporate Group which regulates the following matters applicable to the Group:</p> <ul style="list-style-type: none"> <li>(i) Unified Purpose and Direction;</li> <li>(ii) General Corporate Strategy;</li> <li>(iii) Behavior Principles;</li> <li>(iv) Protection to Minority Shareholders;</li> <li>(v) Corporate Structure;</li> <li>(vi) Relationship Model;</li> <li>(vii) Synergies;</li> <li>(viii) Guidelines Policies;</li> <li>(ix) Information Management</li> <li>(x) Transactions between Related Parties;</li> <li>(xi) Control Architecture</li> <li>(xii) Resolution of Conflicts</li> </ul> <p>This document was released through the relevant information communication mechanism it is available for consultation on the webpage of the Company (<a href="http://www.grupoargos.com">www.grupoargos.com</a>) in the tab "Corporate Governance/Best Practices".</p> <p>In addition, during 2016 this policy was approved by the Board of Directors of the subsidiaries of Grupo Argos.</p>	
<b>NO. Explain:</b>	
<b>N/A Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of Implementation</b>	16-12-2015
<b>Date of the amendment</b>	

**Measure No. 7: Dispute Resolution**

**7.1. Except for those disputes between shareholders, or between shareholders and the Company or its Board of Directors, which by express legal authority must necessarily be settled before ordinary courts, the Company's Bylaws provide mechanisms for dispute resolution** such as direct agreement, amicable settlement, conciliation or arbitration

**7.1 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b>
<p>Since its incorporation, the Company's Bylaws provide that differences between shareholders or between shareholders and the Company must be settled by Arbitration.</p>

<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of Implementation</b>	27-02-1934
<b>Date of the amendment</b>	

**I. GENERAL MEETING OF SHAREHOLDERS**

**Measure No. 8: Functions and Powers**

**8.1.** In addition to the other functions legally conferred on the General Meeting of Shareholders, Company's Bylaws expressly define the functions of the General Meeting of Shareholders contained in Recommendation 8.1., emphasizing their exclusive and non-delegable nature

**8.1 is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b>	
<p>The Company's Bylaws include the functions suggested in Recommendation 8.1 in relation to the approval of the Compensation and Succession policy for the Board of Directors. The Shareholders Meeting has always been responsible for approving any segregations and for authorizing the transfer, sale or lease of a key part of the holdings and other assets of the Company, understood as any transaction worth 50% or more of the liquid assets of the Company. Along this line of thinking, the Board of Directors does not determine what assets are of strategic importance, as in the case of Grupo Argos, these are determined based on the Bylaws.</p> <p>It should be noted that the Board of Directors it not entitled to determine which are the strategic assets of Grupo Argos, because this criteria is established in the bylaws.</p> <p>The bylaws expressly state which are the functions that have to be considered to fall within the exclusive competence of the Shareholders Meeting and cannot be delegated in other corporate bodies.</p>	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	26-03-2008
<b>Date of the amendment</b>	26-03-2015

**Measure No. 9: Rules of the General Meeting of Shareholders**

**9.1.** The company has rules in place for the General Meeting of Shareholders that regulate all matters affecting it, from the notice of meeting, to the preparation of the information to the shareholders, attendance, and exercise of political rights of shareholders so that they are fully informed of the rules for conducting the Meeting.

**9.1 is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b>
<p>Chapter II of the Code of Good Governance contains the Operating Regulations of the Shareholders' Meeting, which regulates matters relating to: (i) Information for the General Shareholders' Meeting; (ii) Call; (iii) Voting; (iv) Representation and (v) Operation of the Assembly. This Code is available on our website (<a href="http://www.grupoargos.com">www.grupoargos.com</a>)</p>

<b>NO. Explain:</b>	
<b>NA. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-08-2004
<b>Date of the amendment</b>	

**Measure No. 10: Notice of Meeting**

- 10.1.** To facilitate the exercise of the shareholders' right to information, the Company's Bylaws provide that the Ordinary General Meeting of Shareholders must be notified no less than thirty (30) calendar days in advance and extraordinary meetings must be notified not less than fifteen (15) calendar days in advance, notwithstanding the established legal terms for corporate reorganizations (i.e. mergers, spin-offs or transformation).

**10.1 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> In 2013, it was established that the term for summoning the Shareholder's Meeting should be a minimum of 20 business days for ordinary meetings and 10 calendar days for extraordinary meetings, thus meeting a standard superior to that required by Colombian legislation. In 2015, following the recommendations of the Country Code, in article 36 of the Corporate Bylaws, the term convene was changed to incorporate the term suggested by measure 10.1.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of Implementation</b>	25-03-2015
<b>Date of the amendment</b>	

- 10.2.** In addition to traditional and mandatory means provided in the legal framework, the company ensures maximum dissemination and publication of meeting notices using electronic means, such as the corporate website, alert messages through individualized emails and, when deemed appropriate, through social networks

10.2 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> In accordance with Bylaws, meetings for the General Shareholder's Meeting will be summoned by notifications in any newspaper of the registered office, or by any written means addressed to all Shareholders. Likewise, the summon is published on the Company's website where additional shareholders can check the proposals that the Administration will present, as well as any proposal that come from the shareholders during the summon term. The obligation to publish on the website is expressly enshrined in the Code of Good Governance since 2004, in chapter II number 1.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of Implementation</b>	25-08-2004
<b>Dates of the amendment</b>	

10.3. To improve the transparency of the decision-making process during the General Meeting, in addition to reading the agenda containing the issues that will be discussed, the rules of the meeting **provide that the proposals for each point of the agenda to be presented by the Board to the General Meeting must be made available to the shareholders simultaneously with the notice, or at least fifteen (15) calendar days in advance,**

10.3 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> Management proposals to be submitted to the Meeting are available on the website from the date of the notice of meeting. Shareholder proposals are available from the date the proposals are received. This obligation is expressly provided for in the Good Governance Code since 2007, in chapter II number 1.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	24-10-2007
<b>Dates of the amendment</b>	

10.4. An irregular spin-off may only be analyzed and approved by the General Meeting of Shareholders when this point has been expressly included in the relevant notice of meeting.

10.4 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> Since 2007 in the company's Statutes, article 38, it was established that the segregation or improper breach was an issue that had to be approved by the Assembly and that in the summon it should be expressly indicated that this topic would be submitted for the consideration of the Assembly.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	24-10-2007
<b>Dates of the amendment</b>	

10.5. The agenda proposed by the Board accurately reflects the issues to be discussed, and does not conceal or mask important issues by using vague, generic, overly general or broad terms such as “other” or “miscellaneous proposals.”

10.5 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The amendment to the Good Governance Code in 2013, in Chapter II numeral 2 literal c, expressly states that terms such as “other” or “miscellaneous” may not be used in the notice of meeting which has been fully complied with. It is important to note that this has not affected the right of shareholders to submit proposals during the course of the meeting	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	29-05-2013
<b>Date of the amendment</b>	

10.6. In the event of amendments to the company’s bylaws, each article or group of articles that are substantially independent are voted on separately. In any case, an article is voted on separately during the meeting at the request of any shareholder or group of shareholders representing at least 5% of the share capital. Shareholders are made aware of this right.

10.6 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The amendment adopted in the 2015 General Meeting of Shareholders provides that in the case of amendments to the bylaws, each group of articles that are substantially independent must be voted on separately and that in the event that an amendment is requested by a shareholder or group of shareholders representing at least 5% of the share capital, the article or group of articles to be amended must be voted on separately. This provision is contained in Paragraph 8 of Article 38 of the Company’s Bylaws.	
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<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-03-2015
<b>Date of the amendment</b>	

10.7. Notwithstanding the provisions of Article 182 of the Commercial Code, in order to strengthen and ensuring the shareholders’ right to inspection and information prior to the Meeting, the Company’s Bylaws recognize the shareholders’ right, regardless of the size of their shareholding, to include in the agenda one or more points to be discussed in the General Meeting of Shareholders, within a reasonable limit and provided that the request is duly justified. Shareholders must file the request within five (5) calendar days following the publication of the notice of meeting.

10.7 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> This procedure was included in Paragraph 3 of Article 36 of the Company’s Bylaws.	
<b>NO. Explain:</b>	
<b>N/A: Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-03-2015
<b>Date of the amendment</b>	

10.8. If the request is rejected by the Board, the Board must respond in writing those requests supported by at least five percent (5%) of the share capital, or a lower percentage established by the Company according to the degree of concentration of ownership, **stating the reasons for its decision** and informing shareholders of their right to submit their proposals during the Meeting in accordance with the provisions of the Article 182 of the Commercial Code.

10.8 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> This procedure is expressly contained in Paragraph 3 of Article 36 of the Company Bylaws.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-03-2015



<b>Date of the amendment</b>	
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**10.9.** If the Board accepts the request after the deadline for shareholders to propose items in accordance with the above recommendations, a **supplement to the Notice of Meeting must be published** at least fifteen (15) calendar days prior to the meeting

**10.9 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> This procedure is expressly provided for in Paragraph 3 of Article 36 of the Company Bylaws.	
<b>NO. Explain:</b>	
<b>Date of implementation</b>	25-03-2015
<b>Date of the amendment</b>	

**10.10.** Within the time period specified in Section 10.7, **shareholders may also submit new, well-documented proposals** on matters previously included in the Agenda. For these requests, the Board has procedures similar to those stated in Paragraphs 10.8 and 10.9 above-

**10.10 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> This procedure is expressly provided for in Paragraph 3 of Article 36 of the Company Bylaws.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-03-2015
<b>Date of the amendment</b>	

**10.11.** The company undertakes to use electronic means of communication, mainly the **corporate website with exclusive access by shareholders**, to provide the shareholders with these documents as well as the information associated with each of the items on the meeting agenda

**10.11 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Chapter II numeral literal 1 of the Good Governance Code establishes that proposals and information relevant to decision-making contained in the agenda must be available on the webpage of the Company.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	24-10-2007
<b>Date of the amendment</b>	25-11-2015

**10.12. The Company's Bylaws recognize the shareholders' right to request information or clarifications** through traditional channels and / or, where appropriate, using new technologies, or ask written questions as they deem necessary regarding the matters contained on the agenda, the documents received or public information provided by the Company. Depending on the term chosen by the Company to call the General Meeting of Shareholders, the Company determines the period within which shareholders may exercise this right

**10.12 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Paragraph 4 of Article 36 of the Company's Bylaws expressly states that shareholders may exercise this right up to two business days prior to the Shareholders Meeting.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-03-2015
<b>Date of the amendment</b>	

**10.13. The company provides that requested information may be refused if**, according to internal procedures, can be described as: i) unreasonable; ii) irrelevant to find out about the progress or the interests of the Company; iii) Confidential, which includes privileged information regarding the securities market, trade secrets, ongoing operations whose successful completion substantially depends upon the secret of trading; and iv) other information whose disclosure may threaten or endanger the Company's competitiveness.

**10.13 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Paragraph 4 of Article 36 of the Company's Bylaws expressly provides that the company may refuse releasing information when the information is considered to be: i) unreasonable; ii) irrelevant to find out about the progress or the interests of the Company; iii) Confidential, which includes privileged information regarding the securities market, trade secrets, ongoing operations whose successful completion substantially depends upon the secret of trading; and iv) other information whose disclosure may threaten or endanger the Company's competitiveness.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-03-2015
<b>Date of the amendment</b>	

**10.14.** When the answer given to a shareholder may put the shareholder at an advantage, the Company **immediately make that answer available to the other shareholders**, in accordance with the mechanisms established for that purpose, and under the same conditions.

**10.14 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Paragraph 4 of Article 36 of the Company's Bylaws expressly states that when the information or the answer provided to a shareholder may put the shareholder at advantage, the company will publish such information or answer on its website.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-03-2015
<b>Date of the amendment</b>	

#### Measure No. 11: Rules of representation

**11.1.** Notwithstanding the limits laid down in Article 185 of the Commercial Code, Public Notice 24 of 2010 and its amendments, **the Company does not limit the right of shareholders to be represented at the General Meeting of Shareholders** and delegate their vote to any person, whether a shareholder or not.

**11.1 is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Since the Company was established, shareholders have been able to be represented at the General Shareholders' Meeting. The Code of Good Governance, in Chapter 2 number 4, establishes that Shareholders may be represented before the Company to deliberate and vote at the General Shareholders' Meeting, as well as for collecting dividends and for any other purpose, by means of a proxy of attorney granted in writing, and in accordance with the law and within the terms and conditions set forth in the Articles of Association.  Similarly, the web page contains both the proxy models for natural and legal persons and the powers of attorney regulation.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	27-02-1934
<b>Date of the amendment</b>	

**11.2. The company minimizes the use of blank proxy voting, without voting instructions,** actively promoting the use of a standard representation letter sample that the Company provides to the shareholders or is published on its website. The sample letter includes the agenda and the relevant proposals in accordance with the procedure established previously and which will be submitted for consideration by shareholders, so that the shareholder, as he or she deems appropriate, may indicate in each case the direction of his or her vote to his or her representative.

**11.2 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The obligation to make available to shareholders a power of attorney sample form through the website was incorporated into the Rules for Conducting the Meeting contained in the amendment to the Good Governance Code approved in November 2015. However, this practice was adopted in the Ordinary Meeting held in 2015.  Similarly, the web page contains both the proxy models for natural and legal persons and the powers of attorney regulation.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	23-02-2015
<b>Date of the amendment</b>	25-11-2015

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

**12.1.** In order to revitalize the role of the General Meeting in corporate decision-making, and to make it a more participatory body, the Rules of the Meeting require **that members of the Board**

and, especially, Chairs of the Committees of the Board and the President of the Company, attend the Meeting to address shareholders concerns.

12.1 is this measure implemented?		YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
<b>YES. Describe briefly:</b>							
The members of the Board of Directors have long since attended the Ordinary Meeting. However, it was expressly incorporated as a requirement by the amendment to the Good Governance Code adopted in 2015.							
<b>NO. Explain:</b>							
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>							
<b>Date of implementation</b>				25-11-2015			
<b>Date of the amendment</b>							

II. BOARD OF DIRECTORS

Measure No. 13: Functions of the Board of Directors

13.1. The Company’s Bylaws expressly state the **functions that may not be delegated to the Senior Management**, including those contained in Recommendation 13.1.

13.1 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> Paragraph 2 of Article 50 of the Company’s Bylaws expressly states that the functions pursuant to Public Notice 028 of 2014 and its amendments, in no case may be delegated to Senior Management and are considered to be non-delegable.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	23-05-2015
<b>Date of the amendment</b>	

13.2. Notwithstanding the autonomy and independence of the governing bodies of the subsidiaries, **when the company acts as a the parent company of a conglomerate, these functions of the Board have a group approach and are performed through general policies, guidelines or requests for information, respecting the balance between the interests of the parent company, the interests of the subsidiaries, and the interests of the conglomerate as a whole.**

13.2 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Policy on the Relationship between subsidiaries of Grupo Argos provides that the Board of Directors of Grupo Argos is the highest body of strategic direction in Argos Corporate Group, and consequently it maintains an overall and consolidated view of all its businesses, while at the same time seeking to identify global trends. Therefore, it must act with a comprehensive group approach and determines the topics for which the parent company should provide strategic guidelines.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	16-12-2015
<b>Date of the amendment</b>	

Measure No. 14: Regulations of the Board of Directors

**14.1. The Board of Directors has approved the internal rules** governing its organization and operation, as well as the roles and responsibilities of its members, the Chair and the Secretary of the Board, and their rights and duties. These regulations, which are binding on the members of the Board of Directors, have been distributed to the shareholders.

<b>14.1 Is this measure implemented?</b>		YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
<b>YES. Describe briefly:</b>							
<p>The Operating Regulations of the Board which regulate, among others, (i) the principles of action of the Directors (ii) the rights of the Directors (iii) the responsibilities of the Board of Directors (iv) the selection criteria of the Directors (v) the general principles applicable to the election and remuneration (vi) the incompatibilities (vii) the period (ix) the development of the meetings (x) the functions and responsibilities of the Chairman of the Board, the Chairman of the Company, the Secretary General (xi) the induction and training processes (xii) the approach of the Board committees, etc., are all part of the Code of Good Governance, a document that has been widely disseminated not only among shareholders but also to the public market in general and to the interest groups. To the extent that it is a document approved by the Board, it is clearly binding for all members, especially taking into account that the Corporate Bylaws expressly state that the Code of Good Governance is binding on the Directors and Company employees.</p> <p>The Code of Good Governance can be reviewed through the Website in the Corporate Governance tab&gt; Good Practices.</p>							
<b>NO. Explain:</b>							
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>							
<b>Date of implementation</b>				24-10-2007			
<b>Date of the amendment</b>				25-11-2015			

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

**15.1.** The company has opted in its Bylaws not to appoint alternate members to the Board of Directors.

<b>15.1 Is this measure implemented?</b>		YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
<b>YES. Describe briefly:</b>							
<p>Since 2007, the Company's Bylaws expressly state that there will be no alternate Board members.</p>							
<b>NO. Explain:</b>							
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>							
<b>Date of implementation</b>				21-03-2007			
<b>Date of the amendment</b>							

**Measure No. 16: Composition of the Board of Directors**

**16.1.** Based on the premise that once elected all members of the Board of Directors they must act in the best interest of the Company. To ensure maximum transparency, the **Company identifies the origin of the members of the Board of Directors** following the system outlined in Recommendation 16.1.

**16.1 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Company's Board is made up of 7 members, 5 of which are independent members. In 2013, both the Corporate Bylaws and the Good Governance Code established that the Board should be comprised mainly of independent members. In 2015, the definition of affiliated members included in the Country Code was accepted. When information is provided regarding the composition of the Board, it indicates which members are of independent character and which are affiliated members. There are no executive members on the Board. On the Web Page ( <a href="http://www.grupoargos.com">www.grupoargos.com</a> ), the composition of the Board of Directors can be seen and the origin of its different members is highlighted.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	20-03-2013
<b>Date of the amendment</b>	25-03-2015

**16.2. The company has a procedure in place**, integrated through the Appointments and Compensation Committee or a similar committee. This procedure allows the Board of Directors, based on its own performance and the conclusions of the annual assessments, reaching the objectives outlined in Recommendation 16.2.

**16.2 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Good Governance Code and the Nomination, Compensation and Succession Policy of the Board of Directors establishes the requirements that candidates to the Board of Directors must meet, both of knowledge and of personal conditions, and an annual assessment is done which serves as a basis to adopt corrective or propose improvement actions. Likewise, annually at the time of preparing the report on Compliance in Corporate Governance, the matrix of profiles of Board members and the degree of attendance at meetings are disclosed. However, in order to continue improving this procedure based on the work carried out with some external consultants, the implementation of a more detailed matrix for the purpose of selecting Board members will be proposed to the Nomination and Remuneration Committee.	
<b>NO. Explain:</b>	



<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-08-2004
<b>Date of the amendment</b>	25-11-2015

**16.3. Professional profiles identified as necessary are informed to the shareholders by the Board of Directors;** therefore, the different actors, particularly controlling shareholders, major shareholders, families, groups of shareholders and institutional shareholders, if any, and the Board of Directors itself may identify the most suitable candidates.

**16.3 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Good Governance Code (Chapter III, number 5 of the) requires compliance with this procedure.  On our website (www.grupoargos.com) there is the Matrix of Profiles of Members of the Board of Directors defined by the year Appointments and Remuneration Committee in February 2018.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

**16.4.** The company believes that the single assessment of resumes by shareholders is insufficient to determine the suitability of candidates. For this reason, the **Company has an internal procedure to evaluate incompatibilities and disqualifications** of legal nature and potential fit of the candidate to the needs of the Board, through the evaluation of a set of criteria to be met by functional and personal profiles of the candidates, and verification of compliance with certain requirements to be a member of the Board of Directors and additional requirements to be an independent member of the Board.

**16.4 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> In the Code of Good Governance and in the Nomination and Remuneration Policy of the Board of Directors, it is expressly foreseen that the Nomination and Remuneration Committee will carry out any necessary assessment to determine if the candidates meet the profiles proposed by the Board of Directors. And if they meet the selection and independence criteria established in the Code of Good Governance and whether or not they are involved in any of the grounds of inability or incompatibility.  It should be noted that the Nomination and Remuneration Policy of the Board was approved by the Shareholders' Meeting held on March 30, 2017 and in the Nomination and Remuneration Committee.	
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Due to the fact that in 2018 there was a selection of the Board of Directors, the Appointments and Remuneration Committee prepared the respective Evaluation Report Proposal for the Formation of the Board of Directors, which was available to the shareholders on the website.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	30-03-2017

**16.5.** In addition to the independence requirements provided for in Law 964 of 2005, **the Company has voluntarily adopted a definition of independence that is stricter** than that defined in said law. This definition has been adopted as frame of reference through the Regulations of the Board of Directors. It includes, among other requirements that must be evaluated, the relationships of any kind of the candidate for independent member with controlling or major shareholders and related parties, foreign or domestic, and requires a double statement of independence: (i) from the candidate to the company, shareholders and Senior Management, through a letter of acceptance and, (ii) from the Board, with respect to the independence of the candidate.

**16.5 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> In 2013, the Regulations of the Board of Directors, contained in the Good Governance Code, established independence requirements that are stricter than those set forth in the Colombian legislation. The requirements established by the Company are based on the standards required by the stock exchange of New York. At present, 5 out of 7 members of the Board of Directors are independent.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	29-05-2015
<b>Date of the amendment</b>	

**16.6.** The Company, through its internal regulations, believes that the Board of Directors, through its Chair and supported by the Appointments and Compensation Committee is the most suitable body to centralize and coordinate, prior to the General Meeting of Shareholders, the process for forming the Managing Body. In this way, shareholders aspiring to be elected to the Board, based on their shareholdings, can become aware of the needs of the Board and express their aspirations, negotiate shareholding balances and the distribution among the different member categories, present their candidates and accept that the suitability of their candidates be evaluated by the Appointments and Compensation Committee prior to the voting in the General Meeting of Shareholders.

16.6 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b>	
<p>The procedure defined for the purpose of the election of the Board of Directors establishes that the profiles suggested by the Board must be made public as of the summon. It also sets for a prudential term for shareholders to present their proposals for the establishment of the Board and for a prior evaluation to be presented to the Assembly before proceeding to the election of a new Board.</p> <p>The Policy establishes that the Board of Directors, with the support of the Nomination and Remuneration Committee, in each election year, will define the functional profiles, personal profiles and the time and dedication necessary for members to adequately perform their functions. Likewise, the Policy establishes that the profiles defined by the Board of Directors must be published on the company's website on the same date on which the summon to the Ordinary Shareholders' Meeting is made public. Once the proposals have been received, the Committee must make the corresponding evaluation to determine if the candidates fit the proposed profiles, meet the selection and independence criteria and whether or not they are involved in any of the grounds of inability and incompatibility determined in politics.</p> <p>On our website (www.grupoargos.com) there is the Matrix of Profiles of Members of the Board of Directors defined by the Appointments and Remuneration Committee in February 2018.</p> <p>Due to the fact that in 2018 there was a selection of the Board of Directors, the Appointments and Remuneration Committee prepared the respective Evaluation Report Proposal for the Formation of the Board of Directors, which was available to the shareholders on the website.</p>	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	30-03-2017

16.7. The Regulations of the Board of Directors provide that the suitability assessment of candidates must be performed before the General Meeting of Shareholders is held, so that shareholders have enough information (personal attributes, suitability, track record, experience, integrity, etc.) about the proposed candidates to allow for an adequate assessment.

16.7 Is this measure implemented? YES  NO  N/A

<p><b>YES. Describe briefly:</b>                  The procedure established for the purposes of the election of the Board of Directors establishes that from the call the profiles suggested by the Board should be made public. It also provides for a prudential term for shareholders to present their proposals for the formation of the Board and for a prior evaluation to be presented to the Assembly before proceeding to the election of a new Board.</p> <p>The Policy establishes that the Board of Directors, with the support of the Nomination and Remuneration Committee, in each election year, will define the functional profiles, personal profiles and the time and dedication necessary for members to adequately perform their functions. Likewise, the Policy establishes that the profiles defined by the Board of Directors must be published on the company's website on the same date on which the summon to the ordinary shareholders' meeting is made public. Once the proposals have been received, the Committee must make the corresponding evaluation to determine if the candidates fit the proposed profiles, meet the selection and independence criteria and whether or not they are involved in any of the grounds of inability and incompatibility determined in politics.</p> <p>On our website (www.grupoargos.com) there is the Matrix of Profiles of Members of the Board of Directors defined by the Appointments and Remuneration Committee in February 2018.</p> <p>Due to the fact that in 2018 there was a selection of the Board of Directors, the Appointments and Remuneration Committee prepared the respective Evaluation Report Proposal for the Formation of the Board of Directors, which was available to the shareholders on the website.</p>	
<p><b>NO. Explain:</b></p>	
<p><b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b></p>	
<p><b>Date of implementation</b></p>	<p>25-11-2015</p>
<p><b>Date of the amendment</b></p>	<p>30-03-2017</p>

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

17.1. The Regulations of the Board state that **Independent and Proprietary Members must always be in the majority with respect to executive members**, and their number, if elected to the Board, must be the minimum necessary to meet the needs of information and coordination between the Board of Directors and the Senior Management of the Company.

17.1 Is this measure implemented? YES  NO  N/A

<p><b>YES. Describe briefly:</b>                  In Chapter III number 4 literal e) of the Good Governance Code expressly states that the majority of the members shall be independent and no majority from executive members shall exist. It is important to note that none of the current Board Members are members of the executive team.</p>
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<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

17.2. Based on the minimum percentage of twenty five percent (25%) of Independent Members established in Law 964 of 2005, **the company analyzes and voluntarily adjusts upward the number of Independent Members**, ensuring that the number of independent members is proportional to the Floating Capital.

17.2 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Bylaws in its Article 45 expressly establish that at least 50% of the members proposed for the conformation of the Board of Directors must accredit the quality of being Independent Members. Currently the Board is 7 members, 4 of which are Independent Members.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	29-05-2013
<b>Date of the amendment</b>	

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

18.1. **The functions of the Chairman of the Board are listed in the Company Bylaws** and the main responsibilities are those outlined in Recommendation 18.1

18.1 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The functions of the Chair of the Board were included in the Good Governance Code in 2013, and it was determined that this position must be held by an Independent Member. In 2015, this regulation was included in the Bylaws, and the other functions suggested by the Country Code were adopted.	
<b>NO. Explain:</b>	

<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	29-05-2013
<b>Date of the amendment</b>	25-03-2015

**18.2.** The internal rules of the Company provide the possibility for the **Chair of the Board to have a differentiated treatment with respect to the other members**, in terms of obligations and remuneration, thus, the scope of his or her specific functions and time dedication.

**18.2 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Good Governance Code expressly provides that The compensation of the Chairperson of the Board of Directors may be greater as a result of the scope of his specific responsibilities and his greater time dedication	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

**18.3.** Company's Bylaws contain the rules for the appointment of the Secretary of the Board, including those suggested in Recommendation 18.3.

**18.3 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Article 61 of the Company's Bylaws provides that the Secretary General must be a high-ranking employee of the Company and will be appointed by the Board of Directors and proposed by the President of the Company, taking into account the opinion of the Appointments and Compensation Committee.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-03-2015
<b>Date of the amendment</b>	

**18.4.** The Regulations of the Board of Directors established the functions of the Secretary, which include those suggested in Recommendation 18.4.

18.4 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Regulations of the Board Of Directors, contained in Chapter III of the Good Governance Code, establish the functions of the Secretary General, which include, among others, those suggested in Recommendation 18.4 of the Country Code.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

18.5. The Board of Directors has appointed an Appointments and Compensation Committee

18.5 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Appointments and Compensation Committee is composed of three members of the Board of which at least one is an Independent Member. It is expressly established that the members of this Committee must be knowledgeable on subjects such as strategy, human resources and compensation-related policies. The Secretary of this Committee will be the Administrative Vice President.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-08-2004
<b>Date of the amendment</b>	25-11-2015

18.6. The Board of Directors has set up a Risk Committee

18.6 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b>
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<b>NO. Explain:</b> The Risk Committee is not a separate committee; the functions suggested by the Country Code concerning risks have been assigned to the Audit, Finance and Risks Committee.	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	
<b>Date of the amendment</b>	

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

18.7 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> There is a Sustainability and Corporate Governance Committee which is made up of three members of the Board. At least one must be an Independent Member. The main goal of this Committee is to assist the Board of Directors in its role of proposing and supervising the Company's measures of Sustainability and Corporate Governance. The regulations of this Committee are included in the Code of Good Governance.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-08-2004
<b>Date of the amendment</b>	25-11-2015

**18.8.** If the Company believes that it is not necessary to set up all these committees, their functions has been allocated among the existing committees or have been assumed by the Board of Directors.

18.8 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> No Risk Committee has been created as an independent committee, but all the functions related to this matter have been assigned to the Audit, Finance and Risks Committee.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	



<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

**18.9. Each Committee of the Board of directors has internal rules** regarding detailed composition, duties, functions, operation and matters for which the committee has responsibility, paying special attention to communication channels between the committees and the Board of Directors and, in the case of Conglomerates, relationship and coordination mechanisms between the committees of the Board of Directors of the Parent Company and the subsidiaries, if any.

**18.9 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b>	
<b>NO. Explain:</b> Currently, the committees are governed exclusively by what is established in the Operating Regulations of the Board, however, the possibility of generating specific regulations for each one is not ruled out. The Operating Regulations of the Board that are found in the Code of Good Governance establish the goals, the members and the functions of each of the Committees.	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	
<b>Date of the amendment</b>	

**18.10. The Committees of the Board of Directors are exclusively composed of Independent or Proprietary Members**, with at least three (3) members and chaired by an Independent Member. In the case of the Appointments and Compensation Committee, the independent members are always in the majority.

**18.10 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> It is expressly established in the Operating Regulations of the Board that it is immersed in the Code of Good Governance (Chapter III number 19) that the committees must be exclusively composed of Independent or Patrimonial Members and that in all cases the Chairman of the Committee must Be an Independent Member.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

**18.11. The Committees of the Board of Directors may receive specific or ongoing support from members of the Senior Management and/or outside experts with experience in subject matters within the Committee’s competence.**

**18.11 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Regulations of the Board of Directors expressly establish that the Board has direct access to any employee of the company, not only members of the Senior Management and has a budget to hire outside advisors as it deems appropriate. These supports may be used by the Board or by any of the committees.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	24-10-2007
<b>Date of the amendment</b>	

**18.12. When setting up its committees, the Board of Directors takes into consideration the profiles, knowledge and professional experience of the members in relation to matters under the committee’s jurisdiction.**

**18.12 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Operating Regulations of the Board expressly establish that, for the designation of members, the Board must take into consideration that the profiles, knowledge and professional experience of the Directors are in line with the purpose of each Committee, and it has been done so since the Board Support Committees were established.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	24-10-2007
<b>Date of the amendment</b>	25-11-2015

**18.13. Minutes of the committee meetings are taken and copies of the minutes are sent to all the members of the Board of Directors of the Company. If the committees have delegated decision-making powers, the Minutes conform to Articles 189 and 431 of the Commercial Code.**

**18.13 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> There are minutes for all meetings of the Board of Directors in accordance with articles 189 and 431 of the Code of Commerce, which are shared with all the Members of the Board of Directors	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	24-10-2007
<b>Date of the amendment</b>	

18.14. Unless required by applicable legal or regulatory provisions, in the case of Conglomerates, internal regulations provide that the Boards of Subordinate Companies may choose not to create specific committees to handle certain matters and assign these tasks to the committees of the Board of the Parent Company, without this implying the transfer of the responsibility of the Board of Directors of the Subordinate Companies to the Parent Company.

18.14 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b>	
<b>NO. Explain:</b> In the case of Argos Corporate Group, each listed subsidiary has its own Board Committees. We believe that this is not a good practice because these companies have autonomous and independent Board of Directors.	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	
<b>Date of the amendment</b>	

18.15. The main task of the Audit Committee is to assist the Board of Directors in its oversight function, by evaluating accounting procedures, relationships with the Statutory Auditory and, in general, the review of the Control Architecture of the Company, including the risk management system implemented by the company.

18.15 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> Since its foundation, it was established that the main purpose of this Committee was to assist the Board of Directors in the oversight of the effectiveness of the internal control system for the decision-making process in relation to the control and improvement of the activities of the company, its management and directors.  This scope has been complemented over time. Currently, the Regulations of the Board expressly state that the main purpose of the Committee is to evaluate accounting procedures, management of the relationship with the Statutory Auditor and monitoring the effectiveness of the control architecture and risk management systems	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-08-2004
<b>Date of the amendment</b>	25-11-2015

**18.16. The members of the Audit Committee are knowledgeable about** accounting, financing and other related matters, which allows them to have an informed opinion on issues within the committee’s jurisdiction, with sufficient level of expertise to understand the scope and complexity.

**18.16 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Members of the Audit Committee have academic background related to financial issues and have successfully held positions in both the private and public sectors. It is important to note that the Good Governance Code expressly provides that members of this Committee must have knowledge about accounting and financial issues. In addition, at least one of the members of the Committee must have experience in corporate finance and / or matters relating to the design and implementation of internal control systems.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	29-05-2013
<b>Date of the amendment</b>	25-11-2015

**18.17.** At the request of the Chair of the Meeting, the **Chair of the Audit Committee informs the General Meeting of Shareholders** about specific aspects of the work performed by the Committee such as the analysis of the scope and content of the Statutory Auditor report.

**18.17 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Good Governance Code expressly states that the chairs of the committees must inform the General Meeting of Shareholders about specific aspects of the work performed by the respective committee, if the Chair of the Meeting so requests during the course of the ordinary meeting.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

**18.18.** The Internal Rules of the Audit Committee set out the functions outlined in Recommendation 18.18.

**18.18 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The functions suggested in Recommendation 18.18 of the Country Code are outlined in the Operating Rules of the Board, contained in the Good Governance Code.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

**18.19.** The main purpose of the **Appointments and Compensation Committee** is to assist the **Board of Directors in the performance of its decision-making functions regarding appointments and compensation** for members of the Board of Directors and Senior Management and ensure compliance with Corporate Governance Rules, reviewing regularly compliance, recommendations and principles (in those cases where this function is not expressly assigned to another committee).

**18.19 Is this measure implemented?** YES  NO  N/A

<p><b>YES. Describe briefly:</b>                  Since its creation, it was established that the main purpose of the Appointments and Compensation Committee (formerly Designation, Compensation and Development Committee) was to determine the policies and regulations for hiring, compensation and development of executive and key staff. Additionally, this Committee was responsible for determining and recommending the adoption of compensation programs as well as for the assessment of the effectiveness of these programs.</p> <p>Currently, the main purpose of this Committee is to assist the Board of Directors in the performance of its functions concerning appointments and compensation for members of the Board of Directors and Senior Management. The Sustainability and Corporate Governance Committee is responsible for ensuring compliance with Corporate Governance Rules.</p>	
<p><b>NO. Explain:</b></p>	
<p><b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b></p>	
<b>Date of implementation</b>	25-08-2014
<b>Date of the amendment</b>	25-11-2015

18.20. Some members of the Appointments and Compensation Committee are knowledgeable about strategy, human resources (recruitment and selection, hiring, training, personnel management), compensation policy and related issues, with sufficient level to understand the scope and complexity of these issues.

18.20 Is this measure implemented? YES  NO  N/A

<p><b>YES. Describe briefly:</b>                  The current members of the committee have extensive experience in subjects related to human resource management. Additionally, the Board Rules expressly state that members of this Committee must be knowledgeable about subjects related to strategy, human resources and/or compensation policies and related issues.</p>	
<p><b>NO. Explain:</b></p>	
<p><b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b></p>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

18.21. At the request of the Chair of the Meeting, the Chair of the Appointments and

Compensation Committee informs the General Meeting of Shareholders about specific aspects of the work performed by the Committee such as monitoring of the compensation policies for the Board of Directors and Senior Management.

**18.21 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Operating Rules of the Board, contained in the Good Governance Code, expressly state that the chairs of the committees must inform the General Meeting of Shareholders about specific aspects of the work performed by the respective committee, if the Chair of the Meeting so requests during the course of the meeting	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

**18.22.** The Internal Rules of the Appointments and Compensation Committee set out the functions outlined in the Recommendation 18.22.

**18.22 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Operating Rules of the Board that regulate Board committees set out the functions suggested in the Recommendation 18.22	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

**18.23.** The main purpose of the Risk Committee is to assist the Board of Directors in fulfilling its oversight responsibilities in relation to risk management.

**18.23 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Although there is no independent Risk Committee, all of the suggested functions for this committee have been assigned to the Audit, Finance and Risk Committee. The Operating Regulations of the Board, contained in the Good Governance Code, expressly state that the primary purpose of the Audit Finance and Risk Committee is to evaluate the accounting procedures, manage the relationship with the Statutory Auditor and monitor the effectiveness of the control architecture and risk management systems	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

18.24. At the request of the Chair of the Meeting, **the Chair of the Risk Committee may inform the General Meeting of Shareholders** about specific aspects of the work performed by the committee.

18.24 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Good Governance Code expressly states that the Committees will inform the General Meeting of Shareholders about specific aspects of the work performed by the respective committee, if the Chair of the Meeting so requires during the course of the meeting.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

18.25. With the adjustments necessary to distinguish between companies belonging to the financial or real sector of the economy and notwithstanding the functions assigned to this committee by current regulations, **the Internal Rules of the Risk Committee assigns to this committee the functions suggested in the Recommendation 18.25.**

18.25 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The functions suggested in Recommendation 18.25 have been assigned to the Audit, Finance and Risk Committee	
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<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

**18.26.** The main purpose of the Corporate Governance Committee is to assist the Board of Directors in its function of proposing and overseeing the Corporate Governance measures adopted by the Company.

**18.26 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Operating Rules of the Board, contained in the Good Governance Code, expressly state that the main purpose of the Sustainability and Corporate Governance Committee is to assist the Board of Directors in its function of proposing and overseeing the Sustainability and Corporate Governance measures adopted by the Company.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

**18.27.** The Internal Rules of the Corporate Committee assigns the functions suggested in the Recommendation 18.27 to this committee.

**18.27 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Pursuant to the Operating Rules of the Board that regulate matters relating to Board Committees, the functions suggested in the Recommendation 18.27 have been assigned to the Sustainability and Corporate Governance Committee.	
<b>NO. Explain:</b>	

<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

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

**19.1 The Chair of the Board of Directors** with the assistance of the Secretary and the President of the company, **prepares the work plan of the Board** for the period evaluated, a tool that makes it easier to determine the estimated duration and reasonable number of ordinary meetings to be held in a year.

**19.1 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Action Plan of the Board is approved annually. The Plan sets the dates of the ordinary meetings and the main subjects to be discussed in each meeting. The Operating Rules of the Board, contained in the Good Governance Code, expressly state that the Action Plan for the year will be defined in the first Board of Directors meeting of the year, after the Ordinary Meeting of Shareholders, setting meeting dates for the entire year and the subjects to be discussed in each meeting. The Directors, through a communication sent to the Chair of the Board of Directors at least three working days prior to the date of the meeting, may request the inclusion of additional subjects in the agenda.	
<b>Date of implementation</b>	29-05-2013
<b>Date of the amendment</b>	

**19.2.** Except for supervised entities that are required to hold at least one (1) meeting per month, the Board of Directors of **the Company holds between eight (8) and twelve (12) ordinary meetings per year.**

**19.2 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Although, previously, meetings were held with less frequency, traditionally the Board holds monthly meetings. The amendment introduced in 2015 states that the Board must meet at least once a month.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	27-12-1934
<b>Date of the amendment</b>	25-03-2015

**19.3.** One (1) or two (2) meetings of the Board of Directors per year **are clearly focused on**

defining and monitoring the strategy of the company.

19.3 Is this measure implemented? YES  NO  N/A

**YES. Describe briefly:**  
 The Operating Rules of the Board, contained in the Good Governance Code, expressly state that the Board of Directors must meet at least once a year, in special session and well prepared, to analyze, evaluate and make decisions on the planning and the strategies of the Company. Usually, this meetings are held in October or November.

<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	29-05-2013
<b>Date of the amendment</b>	

19.4. The Board of Directors approves a specific schedule of ordinary meetings, notwithstanding the fact that extraordinary meetings will be held as often as necessary.

19.4 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The approved Board Action Plan sets the dates for ordinary meetings. The Operating Rules of the Board, contained in the Good Governance Code, expressly state that the Action Plan for the year will be defined in the first Board meeting of the year, after the Ordinary General Meeting of Shareholders, setting meeting dates for the year and subjects to be discussed in each meeting.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	29-05-2013
<b>Date of the amendment</b>	

19.5. Together with the notice of meeting and at least five (5) calendar days in advance, the members of the Board are provided with documents or information relating to each item of the agenda, so that the members may participate actively in the meeting and make informed decisions.

19.5 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> An application was developed where the Members of the Board can find financial information of the Company and information about the next meeting. The information is provided as early as possible. Previously, the Code stated that the notice of meeting had to be given at least two days in advance. Now, pursuant to the latest amendment, this term was increased to five days.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	24-10-2007
<b>Date of the amendment</b>	25-11-2015

**19.6. The Chair and the Secretary of the Board are ultimately responsible for ensuring that the members are provided with timely information** and that the information is useful, so that quality prevails over quantity in the Board of Directors dashboard.

19.6 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Board of Directors Regulation establishes that in order to achieve a better performance of the Board of Directors, it will be ensured that the information given to its members is relevant, concise and complete, well organized and should be designed in such manner that it informs the Directors of the material aspects related to corporate matters. Likewise, article 47 of the Bylaws establishes that the Chairman of the Board must ensure the delivery, in a timely manner, of the information to the Members of the Board of Directors, directly or through the Secretary of the Board of Directors. In our case, the responsibility for the timely availability of information lies on the Secretary General.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	24-10-2007
<b>Date of the amendment</b>	

**19.7. The Chair of the Board of Directors, not the President of the Company, is ultimately responsible for the preparation of the Board meetings agendas**, and the agendas are structured in accordance with certain parameters so as to present topics and issues to be discussed sequentially in a logical order.

19.7 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Company Bylaws, in its article 47, state that the Chair of the Board is responsible for preparing the meeting agenda, in cooperation with the Secretary General and the President of the Company.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-03-2015
<b>Date of the amendment</b>	

**19.8. The Company publishes records of member attendance at Board Meetings and its committees** in the Annual Corporate Governance Report and on the corporate website.

**19.8 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Records of member attendance at Board and Committee meetings is handed out to the shareholders at the entrance to the meeting and it is published in the Annual Corporate Governance Report and on the webpage of the company.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	29-05-2013
<b>Date of the amendment</b>	

**19.9. Each year, the Board of Directors assesses the effectiveness of its work as a collective body, as well as the effectiveness of its committees and individual members, including peer reviewing.** It also assesses the reasonableness of its internal regulations and the dedication and performance of its members, proposing, as the case may be, such changes to its organization and operation as it may deem appropriate. In the case of conglomerates, the Board of Directors of the parent company ensures that the boards of directors of its subsidiaries are also assessed.

**19.9 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b>
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<b>NO. Explain:</b> The Board assessment system was adopted in the Good Governance Code in 2007. The performance of the Board as a collective body is assessed annually, alternating year-to-year a self-assessment with an assessment performed by an independent outside firm. The results and suggestions of these assessments are taken into account for purposes of Action Plan design and training scheduling, as well as for the adoption of any corrective measures deemed to be necessary and appropriate. The Parent Company encourages the other companies that make up the Group to perform this type of assessments. In November 2018, the Board of Directors approved an amendment to the Code of Good Governance, which states that the evaluation will also be carried out for the committees that support the Board.	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	
<b>Date of the amendment</b>	

**19.10. The Board of Directors alternates the internal self-assessment mechanism with external assessments** by qualified, independent parties.

19.9 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Company alternates external assessments by independent parties with self-assessments. This obligation is expressly stated in the Good Governance Code in Chapter III, numeral 16. .	
<b>NO. Explain:</b>	
<b>NA. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	29-05-2013
<b>Date of the amendment</b>	

**Measure No.20: Rights and Duties of Board Members.**

**20.1. Board regulations supplement the provisions of the legal framework concerning rights and duties of Board members.**

20.1 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> Additional responsibilities of Board members have been included in the Good Governance Code since 2004. This has been amended over time. Currently, the Board Regulations, contained in the Good Governance Code, supplement the rights and duties of Board members, following Country Code Recommendations.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-08-2004
<b>Date of the amendment</b>	25-11-2015

**20.2. Board Regulations set out the rights and duties of the Board members, referred to in Recommendation 20.2.**

20.2 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Board Operating Rules expressly state the principles of action of the Board, which include the rights and duties suggested in recommendation 20.2	
<b>NO. Explain:</b>	
<b>NA. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-10-2004
<b>Date of the amendment</b>	25-11-2015

**20.3. Board Regulations contain detailed provisions relating to the Board members rights suggested in recommendation 20.3.**

20.3 Is this measure implemented? YES  NO  N/A

<p><b>YES. Describe briefly:</b>                  Board Regulations expressly state that Board members have the right to:</p> <ul style="list-style-type: none"> <li>a. Receive and request the information required for the proper performance of their duties, as well as to have advance information related to the issues to be discussed in Board and Committee meetings</li> <li>b. Hire, acting as a collective body, external consultants as deemed necessary for the proper performance of their duties</li> <li>c. Receive compensation for their work, in accordance with the criteria established in the Code and the Appointments and Compensation Policy of the Board.</li> <li>d. Receive induction training about the Company and its subsidiaries.</li> <li>e. Ongoing training regarding relevant economic sectors, trends in business development and other relevant issues for the proper performance of their duties.</li> </ul>	
<p><b>NO. Explain:</b></p>	
<p><b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b></p>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

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

**21.1. The internal rules of the company contain defined and formal policies and procedures to identify and manage conflict of interest situations**, either directly or indirectly through related parties, that may affect members of the Board of Directors and other Directors.

21.1 Is this measure implemented? YES  NO  N/A

<p><b>YES. Describe briefly:</b>                  In the Code of Conduct the conflict of interest events are established, and a procedure for the purposes of its management is established as well. In December 2017, the Board of Directors approved the Policy for the Management of Transactions between Related Companies, which aims at preventing or managing appropriately, as the case may be, conflicts of interest that may arise in transactions between companies belonging to the business group.</p>
<p><b>NO. Explain:</b></p>



<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	15-12-2010
<b>Date of the amendment</b>	20-12-2017

**21.2. The procedure for managing conflicts of interest makes a distinction between sporadic or permanent conflict of interest.** If the conflict of interest is sporadic, the procedure provides the rules and steps to be followed which are relatively easy to apply but difficult to evade by the affected party. In the case of conflicts of interest of a permanent nature, the procedure considers that if this situation affects the operations of the company, it would be sufficient grounds for resignation by the affected party as he or she becomes disqualified to hold the position.

**21.2 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b>	
<b>NO. Explain:</b> The Code of Conduct establishes the procedure to be followed to reveal and manage conflicts of interest in general. However, the procedure is the same for both types of conflicts.	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	
<b>Date of the amendment</b>	

**21.3. The members of the Board of Directors, Legal Representatives, members of the Senior Management** and other directors of the Company inform regularly to the Board about their direct or indirect relationships among them or with other entities or structures belonging to the Conglomerate to which the issuer belongs, or with the issuer, or suppliers, or customers or any other Group of interest, which gives rise or may give rise to a conflict of interest situation which could improperly influence their opinion or vote, in order to build a "map of Related Parties".

**21.3 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Board members and all employees of the Company must file annually a Statement of Potential Conflicts of Interest, which is analyzed by the Compliance Department for purposes of establishing relationships that may eventually lead to a conflict of interest. In addition, the Code of Conduct expressly states the obligation to disclose conflicts of interest that arise over the course of the year.	
<b>NO. Explain:</b>	

<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	15-12-2010
<b>Date of the amendment</b>	24-07-2013

**21.4. Conflict of interest situations** understood as those situations that would require the affected party to abstain from attending a meeting and/or vote **are included in the public information** that the company publishes annually on its website

**21.4 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Additionally, conflicts of interest that came up during the corresponding year are revealed in the Integrated Report. The Policy for the Management of Transactions with Related Companies establishes that managers must prepare, for the ordinary shareholders meeting, a report with a cut-off date of December 31 of the respective year, in which a detailed description of all transactions with related companies that were carried out during that accounting period. The report of related companies must contain at least: the companies involved, the matter of the contract, a summary of the liabilities of each of the companies, the value, the term, the grounds for termination, the grounds for renewal, the penalty clause or indemnity and date of approval on the audit committees and on the boards of directors.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	20-03-2013
<b>Date of the amendment</b>	20-12-2017

**21.5.** For these purposes, the definition of Related Party applied by the company is consistent with the International Accounting Standard No.24 (IAS 24).

**21.5 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b>	
<b>NO. Explain:</b> The definition adopted by the Corporate Group is not exactly the same as that of IAS 24.	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	
<b>Date of the amendment</b>	

**Measure No. 22: Transactions with Related Parties**

**22.1. The company has a policy that defines the specific procedure for assessing, approving and disclosing transactions with related parties, including outstanding balances and relationships between them, except for transactions from which specific regulations exist,**

**22.1 Is this measure implemented? YES  NO  NA**

<b>YES. Describe briefly:</b> Both the Social Statutes and the Relationship Policy between Related Companies have established the general parameters for the management of transactions between Related Parties and work is underway to develop a specific policy on this matter. In December 2017, the Board of Directors approved the Policy for the Management of Transactions between Related Companies where specific procedures are established for the appraisal and approval of operations as well as for their disclosure.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	20-12-2017
<b>Date of the amendment</b>	

**22.2. The policy of the company on transactions with related parties addresses the aspects suggested in recommendation 22.2.**

**22.2 Is this measure implemented? YES  NO  N/A**

<b>YES. Describe briefly:</b> In the Policy for the Management of Transactions between Related Companies, all the elements suggested in recommendation 22.2 were included.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	20-12-2017
<b>Date of the amendment</b>	

**22.3** The policy provides that no explicit authorization by the Board of Directors is required for recurring transactions performed in the ordinary course of business under standard agreements or master agreements whose terms and conditions are standardized, en masse agreements, at market prices generally set by the supplier of goods or services and whose

individual value is not material for the company.

22.3 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Policy establishes that any operation between related companies that is not within the ordinary course of business of any of these related companies and / or that is not carried out under market conditions or that is an operation within the ordinary course and under market conditions that exceed the powers of approval granted in the Bylaws to legal representatives, must be submitted to the evaluation of the audit committees and subsequent approval of the boards of directors. This Policy is published on the company's website.	
<b>NO. Explain:</b>	
<b>NA. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	20-12-2017
<b>Date of the amendment</b>	

**Measure No. 23: Board of Directors Compensation Policy**

**23.1. The company has a Board of Directors compensation policy approved by the General Meeting of Shareholders and reviewed annually, that identifies all the applicable compensation components.** These components may be fixed or variable. The compensation components may include fixed fees for being a member of the Board, Board and/or Committee meetings attendance fees and other emoluments of any kind accruing over the course of the year, for whatever reason, in cash or in-kind, as well as obligations incurred by the company on account of pensions, life insurance premiums or other items, with respect to former or current members, as well as liability insurance policies (D&O policies) taken out by the company in favor of Board members.

23.1 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Company has a Nomination, Compensation and Succession Policy of the Board of Directors where the possible components of the remuneration are indicated. This Policy is published on the company's website.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	30-03-2017
<b>Date of the amendment</b>	

**23.2. If the company adopts compensation systems that include a variable component** linked to the good performance of the company in the medium and long-term, **the compensation policy incorporates limits to the amounts** that may be distributed to the Board of Directors, and if the variable component is related to the benefits of the company or other performance indicators at the end of the period evaluated, the company must take into account any statements on qualifications included in the Statutory Auditor's report which could affect the profit or loss position for the year.

23.2 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Nomination, Compensation and Succession Policy of the Board of Directors foresees that in the event that the implementation of a compensation scheme, which includes a variable component consisting in the delivery of shares of the company or its subordinates. In case of adopting such variable component , the applicable methodology for its determination must be measurable in an objective manner and therefore prone to be audited, and must be disclosed on the Company's website.	
<b>NO. Explain:</b> .	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	30-03-2017
<b>Date of the amendment</b>	

**23.3. Proprietary and Independent Members of the Board are expressly excluded from compensation systems that incorporate share options** or variable remuneration linked to the absolute change in share price

23.3 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b>	
<b>NO. Explain:</b> No restriction in this regard has been approved.	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	
<b>Date of the amendment</b>	

23.4. For each period evaluated, under the compensation policy, the General Meeting of Shareholders approves a maximum cost of the Board for all approved compensation components.

23.4 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Nomination, Remuneration and Succession Policy of the Board of Directors establishes that the Company's Chairman will annually submit to the Shareholders' Meeting the proposal for the total cost of the Board as well as a report on the execution of the cost approved in the previous year.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	30-03-2017
<b>Date of the amendment</b>	

23.5. Shareholders are aware of the total effective cost of the Board of Directors during the period evaluated, which includes all compensation components paid to Board members, and reimbursement of expenses. This information is posted on the webpage of the company, with the level of breakdown and detail approved by the Board

23.5 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b>	
<b>NO. Explain:</b>	
The Appointment, Compensation and Succession Policy of the Board of Directors establishes that the Company President will annually submit to the Shareholders' Meeting the proposal for the total cost of the Meeting as well as a report on the execution of the cost approved in the immediately preceding year.	
The cost of the Board is shown in an aggregate form in the detail report	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	
<b>Date of the amendment</b>	

**Measure No. 24: The President of the Company and Senior Management**

**24.1. The governance model of the Company establishes an effective separation between the company governance (represented by the Board) and the ordinary course of business (carried out by the Senior Management led by the President of the company).**

24.1 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b>	
The separation between the Board, the body responsible for the management and strategic direction of the Company, and Senior Management, in charge of the ordinary running of business and the development and implementation of the directions given by the Board, has been established since the company's foundation	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	27-02-1934
<b>Date of the amendment</b>	

**24.2. In general, the policy of the Board is to delegate the ordinary running of business to the Senior Management team, concentrating its activities on strategy, supervision, monitoring, control and governance functions.**

24.2 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> This separation has been established since the company's foundation, through the functions assigned to both the Board and the President of the Company. Various amendments over time have further specified the functions of the Board.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	27-02-1934
<b>Date of the amendment</b>	25-03-2015

**24.3.** As a rule, members of the Senior Management are identified, evaluated and appointed directly by the President of the company as they are the President's direct reports. Alternatively, the **company may choose that members of Senior Management are appointed by the Board at the request of the President of the company.** Regardless of who makes the final appointment, candidates for key executive positions are evaluated by the Appointments and Compensation Committee of the Board, who must issue an opinion.

**24.3 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Pursuant to the provisions of the bylaws, the Board is responsible for appointing, as proposed by the President of the company, Vice Presidents who, together with the President of the Company, will make up the Senior Management Team. The recommendation by the Appointments and Compensation Committee will be taken into account for these appointments.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-03-2015
<b>Date of the amendment</b>	

**24.4. The company has a clear delegations policy** approved by the Board and / or system in place that clearly defines the powers of the President of the company and the powers of the members of Senior Management.

**24.4 Is this measure implemented?** YES  NO  N/A



<b>YES. Describe briefly:</b> Company's Bylaws clearly define the functions and powers of the Board and the President of the company. Additionally, the amendment introduced the 2015 states that the functions of the Board cannot be delegated to the Senior Management.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	27-02-1934
<b>Date of the amendment</b>	25-03-2015

**24.5. The Board of Directors**, through the Appointments and Compensation Committee, or whoever performs this function, **conducts an annual assessment of the performance of the President of the company** and reviews the assessments of members of the Senior Management.

**24.5 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The amendment introduced to the Company's Bylaws in 2015 states that the Board of Directors must be aware of the performance assessments of members of the Senior Management conducted by the Appointments and Compensation Committee. However, it is important to note that, although not expressly stated, the Board has undertaken the task of assessing the performance of members of the Senior Management.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-03-2015
<b>Date of the amendment</b>	

**24.6. The company has a compensation policy for the President of the company and members of the Senior Management**, approved by the Board, which identifies all compensation components that can be effectively met, tied to meeting long-term goals and risk levels.

**24.6 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> For some time now, the Company has a variable remuneration system, which initially covered only the CEO, the Vice Presidents and the Directors and which is currently applicable to all Company employees. In this system, variable remuneration of short and long term is foreseen for the highest levels, for the other levels the variable remuneration is only of short term. Likewise, the Company has a Nomination and Remuneration Policy for Senior Management which complements the variable remuneration system and regulates some additional matters.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	01-01-2009
<b>Date of the amendment</b>	27-07-2015

**24.7.** If the compensation for the President of the company includes both fixed and variable components, the technical design and method of calculation **prevents the variable component from exceeding the maximum limit set by the Board.**

**24.7 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The variable compensation system approved by the Board establishes mechanisms that prevent the variable compensation from exceeding the limits set by the system.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	01-01-2009
<b>Date of the amendment</b>	27-07-2015

III. CONTROL ARCHITECTURE

Measure No. 25: Control Environment

25.1. The Board is ultimately responsible for ensuring a strong control environment in line with the company’s nature, size, complexity and risk, so that it meets the control requirements outlined in recommendation 25.1.

25.1 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Good Governance Code states that the Board of Directors of Grupo Argos is responsible for ensuring a formal, strong Control Architecture for all related companies, establishing responsibilities with respect to all policies and guidelines concerning these matters at the Conglomerate level, defining clear reporting lines to give a comprehensive view of the risks to which the conglomerate is exposed and adoption of the relevant control measures.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

25.2. In the case of conglomerates, the Board of Directors of the Parent Company ensures a formal, consolidated Control Structure for all of its subsidiaries, establishing responsibilities with respect to the policies and guidelines in this regard at the conglomerate level, and defining clear reporting lines to give an overall view of the risks to which the conglomerate is exposed and the control measures to be taken

25.2 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Good Governance Code states that the Board of Directors of Grupo Argos is responsible for ensuring a formal, strong Control Architecture for all related companies, establishing responsibilities with respect to all policies and guidelines concerning these matters at the Conglomerate level, defining clear reporting lines to give a comprehensive view of the risks to which the conglomerate is exposed and adoption of the relevant control measures. Additionally, the policy on relationships between related companies estates that Grupo Argos is responsible for promoting an appropriate corporate conduct, transparent and efficient management, complying with all the laws and regulations where the Company operates.	
<b>NO. Explain</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

**Measure No. 26: Risk Management**

**26.1.** The risk management objectives of the company are those referred to in recommendation 26.1.

**26.1 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Risk Policy includes all the elements referred to in recommendation 26.1.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	23-07-2013
<b>Date of the amendment</b>	

**26.2.** The company has a risk map, understood as a tool for identifying and monitoring financial and nonfinancial risks to which the company is exposed.

**26.2 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> An area responsible for managing the risks of the company was established in March 2014. Later, in April 2014, the Audit Committee approved the matrix of strategic risks, which includes financial and non-financial risks. In addition, work plans were drawn up. The matrices are reviewed monthly.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	29-04-2014
<b>Date of the amendment</b>	30 - 07 - 2016

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

**26.3 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Article 50 of the Company's Bylaws expressly state that the Board of Directors is responsible for approving the risk detection and management policy and for monitoring the risk management program.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-03-2015
<b>Date of the amendment</b>	

**26.4. The Board of Directors is aware of and regularly monitors** the company's effective exposure to the maximum risk limits defined, and suggests corrective and monitoring measures in the event of deviations

**26.4 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> From the time of approval of the risk map, the Board monitors the exposure to each of the identified risks. In addition, the Audit, Finance and Risk Committee makes a detailed monitoring of the policy and proposes corrective measures as it deems appropriate	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	23-07-2013
<b>Date of the amendment</b>	25-11-2015

**26.5. Pursuant to the risk management policy, the Senior Management owns the processes and is responsible for managing risks**, that is, identify, evaluate, measure, control, monitor and report risks, defining methodologies, and ensuring that risk management is consistent with the strategy, the risk policy, and the maximum limits approved.

**26.5 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> From the time of preparation of the Risk Map, it was established that the Senior Management is responsible for managing the risks identified under the parameters established in the Risk Management Policy and the Comprehensive Risk Management Manual.	
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<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	29-04-2014
<b>Date of the amendment</b>	

**26.6. The company has a risk management delegation policy**, approved by the Board of Directors, setting the risk limits that can be managed for each company level

**26.6 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> In order to ensure proper coverage and reporting of the events recorded in the risk maps, a risk delegation matrix was created, in which the responsibility is allocated to either to the Board, or the Committee Chair, or Vice Presidents and Managers depending on the criticality of the risks. Also, Grupo Argos as the holding company monitors quarterly the status of the main risks of its subsidiaries through the Finance, Audit and Risk Committee, based on the reports that the presidents of businesses provide and the updates made by Risk Managers of the most significant risks	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	28-07-2015
<b>Date of the amendment</b>	

**26.7. In Conglomerates, risk management must be done at the consolidated level** so as to contribute to the cohesion and control of the companies that make up the conglomerate.

**26.7 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Policy on the Relationship between related companies states that Grupo Argos, Parent Company of the Argos Corporate Group, in addition to prepare and maintain the risk map, monitor the internal control systems and determine the required improvement measures, must adopt risk management measures and improve the internal control system. Therefore, the risk management is led by the Audit, Finance and Risk Committee of Grupo Argos, responsible for overseeing the Integrated Risk Management System of the Holding Company and its subsidiaries, review and evaluation of the efficiency and integrity of the Internal Control System and determining the risk appetite and tolerance in accordance with the strategic definitions of the company.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	16-12-2015

**26.8.** If the company has a complex and diverse business and operating structure, there is a **Chief Risk Officer position** with authority at the conglomerate level in the case of companies under control and/or business group situations.

26.8 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b>	
<b>NO. Explain:</b> Although the Conglomerate has no Chief Risk Officer, there is a Corporate Comptroller’s Office which, pursuant to the provisions of the Good Governance Code, is responsible for the design and coordination of the control architecture elements with the Related Companies.	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	
<b>Date of the amendment</b>	

**Measure No. 27: Control activities**

**27.1.** The Board of Directors is responsible for ensuring an adequate internal control system, adapted to the complexity of the company and consistent with the risk management strategy.

27.1 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Company's Bylaws state that the Board is responsible for approving and monitoring the implementation and effectiveness of the internal control systems. To this end, the Audit, Finance and Risk Committee reviews and evaluates the risk management and proposes the improvements it deems necessary to get a risk profile consistent with the strategic objectives of the company.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-03-2015
<b>Date of the amendment</b>	25-11-2015

27.2. The Board of Directors is responsible for overseeing the effectiveness and suitability of the internal control system, which may be delegated to the Audit Committee, but it does not relieve the Board from its oversight responsibilities.

27.2 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Company's Bylaws state that the Board is responsible for approving and monitoring the implementation and effectiveness of the internal control systems. To this end, the Audit, Finance and Risk Committee reviews and evaluates the risk management and proposes the improvements it deems necessary to get a risk profile consistent with the strategic objectives of the company..	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-03-2015
<b>Date of the amendment</b>	25-11-2015

27.3. The company adheres to and ensures compliance with the principle of self-control, understood as the "ability of people involved in the various processes to view the internal control as an inherent part of their responsibilities, fields of action and decision making processes".

27.3 Is this measure implemented? YES  NO  N/A



<b>YES. Describe briefly:</b> The Risk Management Policy states that the risks must be managed taking into account the independence of the area responsible for the Integrated Risk Management System, business and support areas that generate and manage the risks as well as the appointment of risk managers in each business and support areas that are responsible for maintaining and keeping the processes under their control up-to-date, building and maintaining risk maps and providing support in the required training, as well as reporting about the integrated risk management to those responsible for the area and the risk unit,.	
<b>NO. Explain</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	23-07-2013
<b>Date of the amendment</b>	30 – 07 – 2016

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

**28.1. The risk culture, philosophy and policies, as well as exposure limits, are communicated down and across the organization** so that the entire organization is aware of the risks and controls relating to its activities.

28.1 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The risk culture is a fundamental pillar of the risk model adopted by the company to ensure that the risk management works as a dynamic model in the company. A risk culture strategy called “Does awareness mean taking reliable steps?” is being implemented since 2013, to promote awareness of the risk factors affecting the strategy, the projects, the processes and the facilities at different levels of the organization.  This campaign has been complemented with training, internal assessment and delegation methodologies and maturity and risk management culture surveys that allow the company to focus the strategies on the activities that strengthen the risk control and prevention system.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	01-02-2014
<b>Date of the amendment</b>	

**28.2. The company has an upward communication system in place** (to the Board of

Directors and Senior Management) that is truthful, understandable and complete so that it supports and enables informed decision-making and risk management and control.

**28.2 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> One of the main functions of the Senior Management is to keep the Board adequately informed. To this end, there is an Action Plan approved by the Board which determines the issues that must be informed monthly to the Board. In addition, the Audit, Finance and Risk Committee, based on the detailed monitoring of the financial performance of the company and the risk management issues identified in the risk map, informs the Board about the issues that require special attention.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	24-10-2007
<b>Date of the amendment</b>	25-11-2015

**28.3. The communication and reporting mechanism** of the company enables: i. Senior Management to involve the company as a whole, highlighting its responsibility for managing risks and defining controls and ii. Company staff to understand their role in managing risks, identifying controls and their individual contribution with respect to the work of others

**28.3 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The company has various monitoring mechanisms to ensure an adequate and efficient management: <ul style="list-style-type: none"> <li>- Information Risk Management and Assurance (IRMA) that protects risk matrices and treatment plans</li> <li>- Audits based on strategic risks led by the Corporate Comptroller's Office of Grupo Argos</li> <li>- External advisors to assess the effectiveness of risk management and internal control systems</li> <li>- Performance and risk indicators</li> <li>- Risk management maturity and perception surveys</li> </ul>	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	01-02-2014
<b>Date of the amendment</b>	

**28.4. There are internal whistleblower channels** that allow employees to anonymously report

any illegal or unethical conduct that may run contrary to the risk management and control culture of the company. These reports are submitted to the Board of Directors.

28.4 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> Transparency Line, which is a free channel through which people can report, anonymously, wrongful acts and breaches of the Code of Conduct and the internal rules of the company. The line is managed by an independent third party. It has an email and a toll-free number available from Monday to Saturday from 6:00 a.m. to 10:00 p.m. The information received through this line is treated with the highest standards of confidentiality and cases are escalated, according to their nature, to the relevant investigation officer.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	30-09-2010
<b>Date of the amendment</b>	15-06-2014

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

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

29.1 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> In Chapter III number 19.1.2 section t) of the Good Governance Code expressly assigns the function of overseeing the effectiveness of the Control Architecture components to the Audit, Finance and Risk Committee.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

**29.2. The task of monitoring and ensuring the effectiveness of the Control Architecture, is mainly the responsibility of the Internal Audit, in cooperation with the Statutory Auditor in matters within its competence and particularly in regards to the company's financial**

information.

**29.2 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Good Governance Code states that Internal Audit independently and objectively assesses the quality and effectiveness of the internal control system and provides consultancy and advisory services in order to add value in the company's business. It also helps the company meet its objectives with a systematic and disciplined approach to assess and improve the efficiency of the risk management, controls and governance systems.  Additionally, the Company's Bylaws set out the functions of the Statutory Auditor which include the review of financial information.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-08-2004
<b>Date of the amendment</b>	

**29.3. The internal audit function has Internal Audit Statutes** approved by the Audit Committee expressly stating the scope of its functions, including the issues referred to in the recommendation 29.3.

**29.3 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b>	
<b>NO. Explain:</b> Audit Statute is being drafted and is expected to be submitted shortly to the Audit, Finance and Risk Committee for approval.  Additionally, the Articles of Association establish that it is the function of both the Board of Directors and the Audit Committee to supervise the independence of the Internal Audit.	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of Implementation</b>	
<b>Date of the amendment</b>	

**29.4. The person ultimately responsible for the internal audit maintains an independent professional relationship with** the Company or Conglomerate that hires him or her, and reports only to the Audit Committee.

**29.4 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Pursuant to the provisions of the Good Governance Code, the Internal Audit reports directly to the Audit, Finance and Risk Committee therefore there is professional independence from the Senior Management Team.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	29-05-2013
<b>Date of the amendment</b>	

29.5. In the company, the appointment and removal of the head of internal audit is the responsibility of the Board, at the proposal of the Audit Committee, and his/her removal or resignation is communicated to the market.

29.5 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> Pursuant to the Good Governance Code, the Audit Committee is responsible for recommending to the Board the appointment, reelection or removal of the Internal Audit provider.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

29.6. The Statutory Auditor maintains independence from the company or conglomerate, and the status of independent auditor must be expressly stated in the relevant audit report.

29.6 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> Pursuant to the provisions of the Good Governance Code, the Statutory Auditor's report to the Meeting of Shareholders must include, in addition to the legal requirements, a statement of independence.	
<b>NO. Explain:</b>	

<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

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

**29.7 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> In accordance with the Code of Good Governance, the Statutory Auditor must be a firm of recognized international and independent prestige, and is prone to be the same firm in all companies	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	30-03-2017
<b>Date of the amendment</b>	

**29.8.** **The company has a policy for the appointment of the Statutory Auditor,** approved by the Board of Directors and distributed to the Shareholders, containing the provisions of recommendation 29.8.

**29.8 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Pursuant to the provisions of the Good Governance Code, neither the Statutory Auditor nor individuals or entities associated with it may perform or provide services to the parent company or its subsidiaries other than audit-related services. In addition, the contract entered into by the company with the Auditor states that in the event of successive reelections, the maximum total duration of the contractual relationship will be 10 years and individuals appointed as principal and alternate members must be replaced at least every 5 years and that such persons may only return to serve as statutory auditors of the company after at least 2 years after leaving the position.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

**29.9.** In order to avoid excessive ties between the company and the Statutory Auditing firm

and/or its team and to maintain its independence, **the company establishes a maximum engagement term of between five (5) and ten (10) years.** In the case of individual statutory auditors, **the maximum engagement term is five (5)years**

29.9 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> Pursuant to the provisions of the Good Governance Code, the contract entered into by the company with the Auditor states that in the event of successive reelections, the maximum total duration of the contractual relationship will be 10 years and individuals appointed as principal and alternate members must be replaced at least every 5 years and that such persons may only return to serve as statutory auditors of the company after at least 2 years after leaving the position	
<b>NO. Explain:</b>	
<b>NA. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

29.10. Within the maximum engagement period, the company **promotes the rotation of the Audit partner and its work teams assigned to the company** halfway through the mandatory rotation period.

29.10 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> Pursuant to the provisions of the Good Governance Code, the contract entered into by the company with the Auditor states that in the event of successive reelections, the maximum total duration of the contractual relationship will be 10 years and individuals appointed as principal and alternate members must be replaced at least every 5 years and that such persons may only return to serve as statutory auditors of the company after at least 2 years after leaving the position.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	24-10-2007
<b>Date of the amendment</b>	

29.11. In addition to the current prohibition on engaging an Auditing Firm for professional

auditing services other than financial audits and other functions recognized in the current regulations, the company extends this limitation to individuals or entities associated with the auditing firm, including companies of its group and companies that have a large number of partners and / or administrators in common with the Auditing Firm.

29.11 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> Pursuant to the provisions of the Good Governance Code, neither the Statutory Auditor nor individuals or entities associated with it may perform or provide services to the parent company or its subsidiaries other than audit-related services.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	24-10-2007
<b>Date of the amendment</b>	25-11-2015

29.12. The company discloses publicly the total amount of the contract with the Auditor as well as the proportion of the fees paid by the company against the firm’s total audit-related income of the firm related to its statutory audit activity.

29.12 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The Company publishes on its website both the proposed auditor fees submitted to the shareholders' meeting, and the minutes of the meeting stating the fees approved	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	24-10-2007
<b>Date of the amendment</b>	



## V. TRANSPARENCY OF FINANCIAL AND NONFINANCIAL INFORMATION

## Measure No. 30: Information disclosure policy

**30.1. The Board of Directors has approved an information disclosure policy**, which includes, at least, the information included in the recommendation.

30.1 Is this measure implemented? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> N/A <input type="checkbox"/>	
<b>YES. Describe briefly:</b> In November 2018, the Board of Directors of Grupo Argos approved the Information Disclosure Policy of the company that includes the information contained in the recommendation.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
Date of implementation	28-11-2018
Date of the amendment	

**30.2. In the case of Conglomerates, the information disclosed to third parties is comprehensive** and cross-company information so that third-parties can have an informed opinion about the actual position, organization, complexity, activities, size and governance model of the Conglomerate.

30.2 Is this measure implemented? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> N/A <input type="checkbox"/>	
<b>YES. Describe briefly:</b> The websites of the companies linked to the conglomerate provide information about the overall structure of the conglomerate, business objectives, financial statements, policies, beneficiaries, main activities, governing bodies, among others	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
Date of implementation	24-10-2007
Date of the amendment	

## Measure No. 31: Financial Statements

**31.1. Statements on qualifications in the Statutory Auditor's report** on the proposed corrective measures will be submitted by the Chair of the Audit committee to the **General Meeting of Shareholders** for discussion.

31.1 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> Pursuant to the provisions of the Good Governance Code, the Audit, Finance and Risk Committee reviews the audited year-end financial statements prior to submission to the Board. If the Statutory Auditor's report contains qualifications or unfavorable opinions, a the statement will be issued and made available to the shareholders and the public market through the website of the Company	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

**31.2. When, in regards to the statements on qualifications and/or matters of emphasis by the Statutory Auditor, the Board believes that its opinion must prevail, this position is adequately explained and justified by a written report to the General Meeting, specifying the content and scope of the discrepancy.**

**31.2 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> Pursuant to the provisions of the Good Governance Code, the Audit, Finance and Risk Committee reviews the audited year-end financial statements prior to submission to the Board. If the Statutory Auditor's report contains qualifications or unfavorable opinions, and the statement will be issued and made available to the shareholders and the public market through the website of the Company	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	25-11-2015
<b>Date of the amendment</b>	

**31.3 Transactions with or between related parties, including transactions between group companies that, based on objective parameters such as transaction volume, percentage of assets, sales or other indicators, are classified as material to the company, are included in detail in public financial information, including offshore transactions.**

**31.3 Is this measure implemented?** YES  NO  N/A

<p><b>YES. Describe briefly:</b>                  Every year a report of the business group's operations is prepared. It is disclosed for the shareholders, along with the other documents that are delivered prior to the ordinary meeting, so that they can participate and make decisions in the Assembly.                  Additionally, in December 2017, the Board of Directors approved the Policy for the Management of Transactions between Related Companies where it is established that any operation between related companies that is not within the ordinary course of business of any of the related companies and / or that is not carried out under market conditions or that in the case of an operation within the ordinary course and under market conditions that exceeds the powers of approval granted in the Bylaws to the legal representatives, must be submitted to the committees' audit appraisal and subsequently the approval of the board of directors.</p>	
<p><b>NO. Explain:</b></p>	
<p><b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b></p>	
<b>Date of implementation</b>	01-03-2008
<b>Date of the amendment</b>	20-12-2017

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

**32.1.** As part of the information disclosure policy, the Board (or the Audit Committee) **takes the necessary measures to ensure that all financial and non-financial information**, required by law, and all information deemed to be relevant to investors and clients is disclosed to financial and capital markets.

**32.1 Is this measure implemented?** YES  NO  N/A

<p><b>YES. Describe briefly:</b></p> <p>Pursuant to the provisions of the Good Governance Code, the Company must provide shareholders, investors and other stakeholders, with additional information disclosure channels through which the information on the performance of the Company will be communicated. This information is prepared and submitted in accordance with legal requirements and established accounting standards. Notwithstanding the compliance with relevant information requirements, Grupo Argos will inform its shareholders and the market in general about:</p> <ol style="list-style-type: none"> <li>Long-term strategic objectives set down by the Board of Directors and Senior Management.</li> <li>The existence of material risks that could affect the achievement of the objectives and the continuity of business, and the measures taken for their mitigation, compensation or transfer.</li> <li>The financial statements together with year-end reports, which will be audited by the Statutory Auditor, who must be an independent and reputable person.</li> <li>The overall company policy for payment of dividends.</li> <li>Relevant internal audit reports and findings by the Statutory Auditor.</li> <li>Opportunities and issues of the evolution of the company activity, including information related to the development of the activity, the competitive environment and business projects</li> <li>Appointments and Compensation Policies of the Board of Directors and Senior Management.</li> <li>Contracts entered into between the Company and its Directors or Senior Management, including relatives, partners and other related parties.</li> <li>Internally established mechanisms and procedures for resolution of conflicts, including the policy on the identification, handling and resolution of conflicts of interest.</li> <li>Criteria applicable to shares and securities issued by the company and traded by Directors and members of the Senior Management.</li> <li>The resumes of the members of Board of Directors, Senior Management and internal control bodies.</li> </ol>	
<p><b>NO. Explain:</b></p>	
<p><b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b></p>	
<b>Date of implementation</b>	25-08-2004
<b>Date of the amendment</b>	25-11-2015

**32.2. The corporate website is user-friendly** so that it is easy for the user to access information associated with or related to Corporate Governance.

**32.2 Is this measure implemented?** YES  NO  N/A

<p><b>YES. Describe briefly:</b></p> <p>Since its initial design, the webpage has been intended to be user friendly for all audiences that refer to it, and it is permanently reviewed and updated on its content. The webpage is available in Spanish and English.</p>
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<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	24-10-2007
<b>Date of the amendment</b>	

32.3. The company webpage includes, at least, the links referred to in recommendation 32.3.

32.3 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> The webpage of the company includes all the information suggested in the recommendation 32.3 and, and also the information required by the IR seal granted by the Stock Exchange.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	24-10-2007
<b>Date of the amendment</b>	

32.4. The company generally **discloses information to the markets in the form of documents that can be printed, downloaded and shared.**

32.4 Is this measure implemented? YES  NO  N/A

<b>YES. Describe briefly:</b> All the information disclosed through relevant information disclosure mechanisms, such as the webpage, can be printed, downloaded and shared.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	24-10-2007
<b>Date of the amendment</b>	

**32.5. If the company is a large and complex company, an explanatory report on the organization, methods and control architecture procedures** implemented is published annually on the website in order to provide accurate financial and non-financial information, safeguard the assets of the company and the efficiency and safety of its operations. The information on Control Architecture, is complemented by a risk management report.

**32.5 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The company publishes annually a comprehensive report that meets GRI 4 requirements, and includes the information suggested in the recommendation 32.5	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	20-03-2013
<b>Date of the amendment</b>	

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

**33.1. The Board of Directors is responsible for preparing the Annual Corporate Governance Report**, which is submitted together with the year-end documents, subject to review and favorable opinion by the Audit Committee.

**33.1 Is this measure implemented?** YES  NO  N/A

<b>YES. Describe briefly:</b> The Annual Corporate Governance Report is submitted by the Board of Directors to the General Meeting of Shareholders and it is posted on the webpage of the company.	
<b>NO. Explain:</b>	
<b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b>	
<b>Date of implementation</b>	24-03-2014
<b>Date of the amendment</b>	

**33.2. The Annual Corporate Governance Report of the company is not just a transcription of the Corporate Governance Rules** included in the bylaws, internal regulations, codes of good governance and other corporate documents. It is not intended to describe the governance model of the company, but to explain the reality of its operation and relevant changes made during the year.

33.2 Is this measure implemented? YES  NO  N/A

<p><b>YES. Describe briefly:</b>                  The Annual Corporate Governance Report provides detailed information about the corporate governance structure of the organization and the level of compliance with each item of the structure, as well as the activities performed during the year.</p>
<p><b>NO. Explain:</b></p>
<p><b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b></p>

<b>Date of implementation</b>	24-03-2014
<b>Date of the amendment</b>	

33.3. The Annual Corporate Governance Report of the company contains year-end information describing how the Corporate Governance recommendations adopted by the company were implemented during the year and the major changes introduced.

The structure of the Annual Corporate Governance Report is in line with the structure suggested in recommendation 33.3.

33.3 Is this measure implemented? YES  NO  N/A

<p><b>YES. Describe briefly:</b>                  The Annual Corporate Governance Report provides detailed information about the corporate governance structure of the organization on the level of compliance with each of the items of the structure, as well as detailed information about the activities performed during the year.</p> <p>It is important to note that the 2014 year-end report presented to the 2015 Ordinary Meeting of Shareholders already included the structure proposed by the Country Code in recommendation 33.3</p>
<p><b>NO. Explain:</b></p>
<p><b>N/A. Specify which regulations prevent the Company from adopting the recommendation:</b></p>

<b>Date of implementation</b>	24-03-2014
<b>Date of the amendment</b>	25-03-2015

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