

## GRUPO DE INVERSIONES SURAMERICANA S.A.

### Proposed Dividend Distribution

Based on the balance of the net income account as shown on the Company's Statement of Financial Position at year-end 2016, the following dividend distribution is proposed:

Earnings before tax	COP	897,019,469,915
Less: Tax appropriations		-61,538,162,681
Net income for the period		835,481,307,234

### PROPOSED DISTRIBUTION OF DIVIDENDS

#### **1 Proposal:**

A dividend per share of four hundred and eighty-eight Colombian pesos (COP 488.00) per year which shall be totally (100%) tax exempt for the shareholder on a total of 575,372,223 ordinary and preferred shares, which shall accrue once said dividend is duly declared by the shareholders at their upcoming Annual Shareholders' Meeting

280,780,217,901

#### **2. Form and date of payment**

Said dividend shall take the form of freed-up preferred shares or in cash, as the shareholder should so choose. In any event, said payment shall be made in a lump sum between April 21 and 30 of 2017.

All those shareholders choosing to receive their dividends in cash should inform the Company of their decision in writing between March 31, and April 7, 2017, this through a payment instruction form that shall be made available beforehand.

These instructions are to be given to the Company via the following means:

- i) At the upcoming Shareholders' Meeting to be held on the date, time and place indicated in the Notice of a Shareholders' Meeting given beforehand.
- ii) at the Company Secretary's Office, located at the following address: Carrera 43A # 5A - 113 piso 13, Medellin- Colombia.
- iii) at Fiduciaria Bancolombia's offices located in the cities of Medellín, Bogotá, Cali and Barranquilla; or
- iv) directly on the Company's website: [www.gruposura.com](http://www.gruposura.com)

In the event that any shareholder should fail to clearly or opportunely given such instructions in writing with regard to receiving his or her dividend payment in cash, it shall be understood that they agree to receive said payment in the form of a stock dividend. This same shall apply to all those payment instructions whose content is either incomplete or illegible.

#### **3. Dividend payment in the form of a lump sum**

The shareholders shall receive all of their dividends, either in the form of the Company's preferred shares or in cash (according to the option chosen), except when legal restrictions apply to their own particular investment regime and they are thus prevented from receiving their dividends in the form of Company stock. In this case, the shareholder must provide legal arguments or reasons for such limitation, and the Company, in turn, shall proceed to study each individual case so as to reach an appropriate way of proceeding with the corresponding dividend payment this in the term provided in section 2 of this Dividend Distribution Proposal.

**4. The freeing up of preferred shares**

The portion of preferred shares required to pay the dividends corresponding to all those shareholders who did not provide written instructions for receiving a cash payment, shall be freed up by the Company's Board of Directors, before April 20, 2017 at the latest, from the reserve of preferred shares that are freely available to the Company.

**5. Price of the preferred shares to be paid out in the form of dividends**

The price of the preferred shares required to be paid out in the form of dividends, as stipulated in this Dividend Distribution Proposal, shall be calculated as follows:

*The average of the average daily price listed for said preferred shares during a period of sixty calendar (60) days prior to the date on which the Annual Shareholders Meeting is scheduled to be held, that is to say, from January 29, 2017 to March 30, 2017, less a discount of four per cent (4%) on the average price thus obtained.*

This average price shall be understood to be that set and listed by the Colombian Stock Exchange as published in its daily bulletin.

Should the calculation of the aforementioned sum produce an unpaid balance owing to the shareholder, said balance shall be paid in cash on the same date as the stock dividend, to which the shareholder is entitled.

**6. Other terms and conditions:**

The dividend corresponding to the preferred shares freed up by the Company shall be paid to all those shareholders who retain their shares until the business day immediately preceding the beginning of the Company's ex-dividend period, that is to say, April 17, 2017, at the latest.

The dividend payment instruction forms for all those shareholders who sell or otherwise dispose of their shares after the end of the Annual Shareholders to be held on March 31, 2017 and before April 17, 2017 (the beginning of the ex-dividend period), shall be revoked even if said shareholders had previously instructed a cash dividend, and instead the new holders of said shares shall be entitled to receive the Company's freed-up shares based on that stipulated in this Dividend Distribution Proposal.

**Attachment:** payment instructions, available on the Company's website

Donations for social outreach projects	5,000,000,000.00	
Reserve for the protection of investments	549,701,089,333.11	
<b>EQUAL SUMS</b>	COP <u>835,481,307,234.00</u>	<u>835,481,307,234.00</u>

As established in Decree 4766 of December 14<sup>th</sup>, 2011, together with the amendment introduced on March 1<sup>st</sup>, 2012 to the Rules and Regulations, governing the Colombian Stock Exchange any shares that are sold between the first business day of the dividend payment period corresponding to said shares and the four (4) trading days immediately preceding said date, shall not confer dividends on the new holder, and accordingly the dividends accruing during this period and those that remain outstanding shall invariably be for the account of the seller.