

## **CORPORATE BYLAWS**

### **GRUPO DE INVERSIONES SURAMERICANA S.A.**

#### **CHAPTER I**

##### **NAME, NATURE, NATIONALITY, REGISTERED PLACE OF BUSINESS AND TERM OF DURATION**

**ARTICLE 1: NAME, TYPE OF COMPANY AND REGISTERED PLACE OF BUSINESS.** The Company shall be called "GRUPO DE INVERSIONES SURAMERICANA S.A", which may be abbreviated to "Grupo Sura". It shall take the form of a joint-stock corporation of Colombian nationality, whose registered place of business shall be in Medellin, Colombia. The Company shall be entitled to set up branches, agencies, and offices in other parts of the country as well as abroad, should its Board of Directors so decide. Its registered place of business may be amended subject to these by-laws.

**ARTICLE 2: TERM OF DURATION.** The Company shall have a duration of ONE HUNDRED (100) YEARS, beginning on the date this Public Deed is drawn up.

#### **CHAPTER II**

##### **CORPORATE PURPOSE**

**ARTICLE 3: SCOPE.** The Company shall be entitled to invest in both personal and real estate property. In the case of the former, besides any other type of personal property, it may invest in shares, participations or holdings in companies, entities, organizations, funds or any other type of lawful vehicle in which its funds may be invested. Likewise, it may invest in commercial paper or securities yielding either a fixed or variable income, regardless of whether they are listed on a public stock exchange. In any case, the corresponding issuers and/or investees may belong to either the public or private sectors, both at home or abroad

In faithfully carrying out its corporate purpose, the Company may acquire, pledge, use, operate, use to set up a trust or for a trust management agreement or dispose of any type of personal and real estate property, enter into credit agreements, provide or receive monetary loans to and from its partners or third parties without this being considered as financial intermediation, this on an occasional basis and for non-speculative purposes with the sole aim of obtaining funds in order to carry out its business purpose; grant, negotiate dispose of, pay, or assign in any manner all types of negotiable instruments or securities and sign all types of private and public documents and generally speaking execute all those contracts, agreements or instruments that are directly related to its business purpose or for exercising the rights and complying with the legal or conventional obligations inherent to the Company's good standing and the activities carried out.

**PARAGRAPH.** The Company may guarantee the obligations of its related companies providing prior authorization for such has been obtained from its Board of Directors.

#### **CHAPTER III**

##### **SHARE CAPITAL**

**ARTICLE 4: AUTHORIZED SHARE CAPITAL.** The Company's AUTHORIZED share capital is

ONE HUNDRED AND TWELVE THOUSAND FIVE HUNDRED MILION COLOMBIAN PESOS (COP 112.500.000.000) divided up into SIX HUNDRED MILLION (600.000.000) shares each with a nominal value of ONE HUNDRED AND SEVEN PESOS AND FIFTY CENTS (COP187,50).”

**ARTICLE 5: SUBSCRIBED AND PAID-IN CAPITAL.** The Company’s subscribed and paid-in capital shall be duly established as provided by applicable legislation and these corporate by-laws. Any change to the Company’s subscribed and paid-in capital shall be certified by its Statutory Auditor, pursuant to that stipulated by applicable legislation, which in turn shall be duly filed with the Chamber of Commerce in its registered place of business.

**ARTICLE 6: SHARES HELD IN RESERVE.** Any shares held in reserve or that may be subsequently issued by the Company, shall remain at the disposal of its BOARD OF DIRECTORS, and placed whenever the Board should so decide, based on the subscription rules and regulations thus approved by said governing body, pursuant to that stipulated in these by-laws and applicable legislation

**PARAGRAPH ONE.** Shareholders shall have preemptive subscription rights to all new issues of shares in proportion to the amount of shares held by these on the date on which the rules and regulations for said new issue are approved by the Board of Directors. Any shares that were not subscribed by shareholders, upon exercising their preemptive subscription rights, shall remain at the disposal of the Board of Directors, who shall decide on how they are to be issued and regulate their placement, whenever they should consider this appropriate.

**PARAGRAPH TWO.** Notwithstanding that stipulated in this Article, the GENERAL ASSEMBLY OF SHAREHOLDERS with the affirmative vote of not less than seventy percent (70%) of the shares represented at the meeting held for such purpose, may decide to place either the total or a partial amount of the shares held in reserve or those belonging to a particular issue without these being subject to preemptive shareholder rights.

**PARAGRAPH THREE.** When issuing or placing Company shares, their offering price shall not necessarily be based on the price evaluation carried out beforehand using the recognized technical procedures.

**ARTICLE 7: CHARACTERISTICS.** The Company’s capital stock shall be divided up into nominative shares, which shall take the form of: a) ordinary or common stock, b) preferred non-voting stock, or c) preferred stock, as permitted by applicable legislation.

Ordinary shares shall confer on their holders the basic rights as stipulated by law for this type of share. Preferred on-voting shares shall confer all those rights contained in the respective share issue and placement rules and regulations.

The Company’s shares will circulate in a dematerialized form and these shall be represented by a global share certificate that shall be handled by and maintained in the safekeeping of a central securities depository, which shall be responsible for recording the names of the subscribers thereof and maintaining the corresponding stock ledger.

The corresponding book entry and registration in the Company’s stock ledger shall suffice for the new share holder to exercise his or rights, for which the central securities depository shall issue the corresponding certificate.

All shares issued shall have the same nominal value in accordance with that provided in Article 4 of these corporate by-laws.

The Company's shares will circulate in a dematerialized form and these shall be represented by a global share certificate that shall be handled by and maintained in the safekeeping of a central securities depository, which shall be responsible for recording the names of the subscribers thereof and maintaining the corresponding stock ledger.

Shareholders may request their share certificates from the corresponding direct depositor, who shall provide legitimate certificates for exercising the rights to which they are entitled as holders of said shares. The theft or loss of such certificate shall not give rise to any application of the law since the shareholder merely has to request a new share certificate or record from the direct depositor.

The corresponding book entry and registration in the Company's stock ledger shall suffice for the new share holder to exercise his or rights, for which the central securities depository shall issue the corresponding certificate.

**PARAGRAPH** - Ordinary shares may be converted into preferred, non-voting stock or preferred stock should approval be obtained from the General Assembly of Shareholders, pursuant to applicable legislation. In this event, the Board of Directors shall approve the corresponding share conversion rules and regulations binding on the shareholders. Likewise, the Board of Directors shall approve all forms, contracts and other documents that the shareholders must sign in order to convert their ordinary shares either into preferred non-voting stock or preferred stock.

**ARTICLE 8: REPRESENTATION.** The representation of shares for validly discussing and voting on matters brought before the GENERAL ASSEMBLY OF SHAREHOLDERS, and the powers of attorney conferred by shareholders for this purpose, shall be subject to all limitations and prohibitions provided by law. Powers of attorney shall be issued based on current applicable legislation.

## CHAPTER IV

### THE COMPANY'S GOVERNING AND MANAGEMENT BODIES

**ARTICLE 9: GOVERNANCE AND MANAGEMENT.** The following bodies shall be responsible for governing and managing the Company:

- a) **GENERAL ASSEMBLY OF SHAREHOLDERS;**
- b) **BOARD OF DIRECTORS;** and
- c) **SENIOR MANAGEMENT**

**PARAGRAPH.** The Company's senior management, officers and employees are bound to comply with all those internal rules and regulations that the Company has voluntarily adopted in accordance with Colombia's Country Code and Best Corporate Practices recommendations.

**ARTICLE 10: DUTIES ON THE PART OF THE COMPANY'S GOVERNING BODIES.** Members of governing bodies shall act in good faith and with due diligence, showing a sense of loyalty to the Company. They must always act in the Company's best interests while bearing in mind those of its shareholders. In fulfilling their responsibilities, members of the Company's governing bodies shall:

- a) Make all the necessary effort for the Company to properly carry out its business purpose.
- b) Ensure strict compliance with all that stipulated in applicable legislation and these by-laws.

- c) Ensure that the Statutory Auditor can properly perform the duties inherent to the statutory auditing function.
- d) Guard and protect the Company's confidential business and commercial information
- e) Refrain from misusing insider information.
- f) Treat all shareholders equally and respect their right to inspection as provided by law
- g) Refrain from participating either directly or through an intermediary in favor of any personal or third party interest, in activities that involve competing with the company or with regard to matters that represent a conflict of interest, unless due authorization has been obtained from the General Assembly of Shareholders or the Board of Directors according to currently applicable legislation as the case may be.

**PARAGRAPH. HANDLING CONFLICTS OF INTEREST.** Every employee, officer, legal representative or board member of the Company must disclose any conflict of interest or any situation which may be at odds with the Company's own interests, this in accordance with the tenets and procedures set out in the Company's Code of Good Governance and Code of Conduct.

## CHAPTER V

### GENERAL ASSEMBLY OF SHAREHOLDERS

**ARTICLE 11: STRUCTURE.** The GENERAL ASSEMBLY OF SHAREHOLDERS shall be made up of all those shareholders whose names appear on the Company's Stock Ledger represented either directly or through their legal representative or proxies appointed by means of a written power of attorney for a meeting held with the required quorum and in the terms and conditions provided in these by-laws.

**ARTICLE 12: ORDINARY MEETINGS OF THE GENERAL ASSEMBLY MEETING OF SHAREHOLDERS.** Ordinary meetings of the General Assembly of Shareholders shall take place once every year, not later than March 31], for which notice shall be given by the BOARD OF DIRECTORS or the CHIEF EXECUTIVE OFFICER, in order to examine the Company's current situation, appoint members of the Board of Directors and Senior Management as well as any other officer that should come under the scope of the Shareholders, determine the Company's economic guidelines, examine the accounts and financial statements for the previous year, determine how the Company's profits are to be distributed and agree on all measures aimed at ensuring compliance with the Company's corporate purpose. If no meeting is called, the General Assembly of Shareholders shall meet in their own right on the first (1st) business day of the month of April at ten o'clock (10:00 am) at the Company's registered place of business, where its Senior Management functions and shall validly hold a meeting with a plural number of shareholders regardless of the percentage of shares they represent.

At this meeting, as well as in those verified under the provisions of Article 429 of the Code of Commerce, matters may be decided on with the majority vote of the shares therein represented. Should the Company be listed on a public stock exchange, and after a second notice is given, the General Assembly of Shareholders shall meet and validly decide on matters with the presence of one or more shareholders regardless of the percentage of shares they represent.

**ARTICLE 13: EXTRAORDINARY MEETINGS.** Extraordinary meetings shall be held when warranted by unforeseen or urgent circumstances in which the Company finds itself, for which notice shall be given by the Chairman of the Board, the Chief Executive Officer or the Statutory Auditor, either on their own initiative or upon the compulsory request of a plural number of shareholders representing at least a quarter of the shares subscribed. At these meetings, the General Assembly of Shareholders may not discuss any other matter apart from that stated on the corresponding agenda included in the notice given for such meeting, except in the case that a number of shareholders, as provided by law, should so decide and once the matters included in the agenda have been duly discharged. Shareholder requests for extraordinary meetings to be held shall be made in writing and clearly state the purpose of such.

**ARTICLE 14: VENUE.** Except when all the subscribed shares are duly represented, shareholder meetings shall take place at the Company's registered place of business, on the date, at the time and in the place indicated in the notice given.

**PARAGRAPH.** Shareholder meetings may be held remotely or shareholders may submit written votes based on the terms and conditions provided in the Code of Commerce.

**ARTICLE 15: NOTICE OF SHAREHOLDER MEETINGS.** Notice of shareholder meetings shall be given by means of an announcement in a widely-circulating newspaper in the Company's registered place of business. Notwithstanding the foregoing, the Company shall ensure that notices of meetings shall be amply disseminated and publicized using, inter alia, the Company's website or in its stead, social networks or individual emails (when available). For meetings at which year-end financial statements are to be discussed, the corresponding notice shall be given at least thirty (30) calendar days beforehand; and in all other cases, a fifteen (15) calendar day notice shall suffice. These periods shall not include the day on which the corresponding notice is given nor the day on which the meeting is to be held. In any event, the term prescribed for the shareholders' right to inspection shall be governed by that stipulated in these by-laws. In the case of deciding on corporate reorganizations the corresponding notice shall be given pursuant to current applicable legislation. All notices for extraordinary shareholder meetings shall contain an agenda of the matters to be discussed. While the Company's shares remain listed with a public stock exchange and whenever the shareholders must decide on any increases in the Company's authorized share capital or decreases with regard to its subscribed share capital, this item shall be included in the agenda to be discussed on the corresponding notice.

Any omission to do so shall render null and void any decision taken by the shareholders in this regard.

**PARAGRAPH.** In the case of ordinary meeting of the General Assembly of Shareholders, any shareholder may request that one or more matters be included in the agenda for subsequent discussion. This request should be addressed to the Board of Directors and sent to the Company Secretary's Office within five (5) calendar days following the date on which the notice of the meeting was published. The reasons for such request must also be included. Said request should contain the reasons for including the item in question.

Should the Board of Directors reject such request when submitted by one or more shareholders representing at least five percent (5%) of the Company's subscribed capital, a written response shall be given, explaining the reasons for this decision and informing the shareholders of their right to present their proposals during the Shareholders' Meeting in accordance with that stipulated in Article 182 of the Code of Commerce.



Should the term prescribed for shareholders to propose items have expired, in accordance with that set out in this paragraph, and in the event that the Board of Directors accepts the request, the corresponding addition shall be published as part of the notice of the shareholder meeting, at least fifteen (15) calendar days before its scheduled date.

This procedure shall also apply in the case of new proposed agreements submitted by shareholders regarding items already included on the meeting's agenda.

**ARTICLE 16: SHAREHOLDER MEETINGS FOR WHICH NO NOTICE IS GIVEN.** The GENERAL ASSEMBLY OF SHAREHOLDERS may meet anywhere it wishes and discuss and validly decide on any matter without any notice having been given, providing the entire amount of subscribed shares are therein represented.

**ARTICLE 17: DELIBERATING QUORUM.** The quorum for ordinary and extraordinary meetings of the GENERAL ASSEMBLY OF SHAREHOLDERS shall be obtained with the presence of a plural number of shareholders representing at least half plus one of the Company's subscribed shares carrying voting rights. If due to insufficient quorum the meeting cannot take place, a new meeting shall be called at which the shareholders shall meet and validly decide on the matters put before them with the presence of a plural number of shareholders, regardless of the number of shares these represent. This new meeting shall be held no earlier than ten (10) business days nor later than thirty (30) business days as of the date the first meeting was held.

**ARTICLE 18: DECIDING MAJORITY VOTE.** As a general rule, decisions on the part of the GENERAL ASSEMBLY OF SHAREHOLDERS shall be made with the majority vote of all those shares represented at the meeting in question. Decisions that require a qualified majority vote, pursuant to applicable legislation are the exception to this rule.

**ARTICLE 19: VOTING RIGHTS.** Each of the shares that are recorded in the Company's Stock Ledger is entitled to one (1) vote at meetings of the GENERAL ASSEMBLY OF SHAREHOLDERS, as opposed to preferred shares that do not carry voting rights, and which shall only be granted voting rights in all those cases provided by applicable legislation as well as that stipulated in their corresponding prospectus rules and regulations.

**ARTICLE 20: CHAIRMAN.** Meetings of the GENERAL ASSEMBLY OF SHAREHOLDERS shall be chaired by the Company's Chief Executive Officer, or in his or her absence, the Chairman of the Board of Directors or, in his or her absence, any other member of the BOARD OF DIRECTORS, in the same order as they were appointed, or in the absence of these, the person appointed by the shareholders for this purpose.

**ARTICLE 21: MINUTES.** All that occurring at meetings of the GENERAL ASSEMBLY OF SHAREHOLDERS shall be recorded in a minutes book, and registered with the Chamber of Commerce of the Company's registered place of business. These minutes shall be signed by CHAIRMAN presiding over the shareholder meeting in question as well as the SECRETARY of said meeting, or in the absence of any one of these by the STATUTORY AUDITOR. These minutes shall contain the details and statements required by law and shall be approved by the GENERAL ASSEMBLY OF SHAREHOLDERS or the committee appointed by the shareholders for such purpose.

**PARAGRAPH.** In the case of meetings held remotely or when shareholders submit their written votes, the corresponding minutes shall be drawn up specifying the terms and conditions and the deadlines set for such as contained in the Code of Commerce.

**ARTICLE 22: VOTING RULES.** The GENERAL ASSEMBLY OF SHAREHOLDERS when making appointments or deciding on matters put before them, shall abide by the following rules and regulations: a) Each shareholder may cast as many votes as the number of shares held; b) Votes shall be cast in writing only when the Shareholders should so decide or when the electoral quotient must be applied; c) For each appointment to be made, in the event of a tie with the first ballot, votes shall be cast again and if another tie is obtained the appointment shall be considered as pending; d) If a tie occurs when voting on proposals or resolutions these shall be considered as rejected; e) When appointing members of the BOARD OF DIRECTORS as well as commissions and decision-making bodies, the same electoral quotient system, as prescribed by law, shall be applied, unless these are appointed unanimously by all the shares represented at the meeting in question; f) When the name of a candidate is repeated once or more times on the same ballot, the votes cast in his or her favor on such ballot shall be counted only once; g) If a ballot contains more names than it should, the first shall be counted until reaching the required number of names. If there is an insufficient number of names on the ballot, then only those appearing shall be counted; h) the votes corresponding to a single shareholder are indivisible, which means that these cannot be divided into fractions. However this shall not prevent a single representative or proxy of various shareholders or the shareholder representing other shares, from casting separate votes in each case upon following the instructions of the person or group that he or she represents or acts as a proxy, but no vote corresponding to the shares of a single shareholder may be divided up into fractions; i) The Company may not vote on any repurchased shares it may hold.

**ARTICLE 23: FUNCTIONS.** The GENERAL ASSEMBLY OF SHAREHOLDERS shall have the following functions:

a) decide on whether the Company is to be merged, transformed, dissolved prior to the expiry of its duration, or its duration extended, or whether the Company is to be wound up or whether any amendment, extension or modification is to be made to the Company's by-laws; b) examine and approve or reject on an annual basis the year-end financial statements and the accounts rendered by Senior Management or whenever the Shareholders should so require; c) consider the management reports issued by the BOARD Of DIRECTORS and the CHIEF EXECUTIVE OFFICER on the state of the Company's business affairs as well as the report issued by the Company's STATUTORY AUDITOR; d) Dispose of the profits as appearing on the statement of financial position as approved by the shareholders, subject to all applicable legislation and that set out in these by-laws. In exercising these attributions, the General Assembly of Shareholders may set up or increase special reserves, and determine or change their specific purpose as well as set the amount of dividends and how and when these are to be paid; e) appoint and freely remove members of the BOARD OF DIRECTORS and the STATUTORY AUDITOR as well as the ALTERNATE STATUTORY AUDITOR, based on current regulations, and set their corresponding fees; f) in the event of the Company being dissolved, appoint one or more receivers and their substitutes, remove these, decide on their fees, give orders and instructions for the dissolution itself and approve the accounts rendered in connection with such; g) give instructions for legal action to be taken against senior management, executive officers or the statutory auditor; h) provide for the placement of shares that do not carry preemptive rights, as stipulated in these bylaws; i) generally speaking adopt all measures aimed at complying with the Company's by-laws or its interests; and j) any other function that may be provided by law or these bylaws.

**PARAGRAPH. EXCLUSIVE AND NON - DELEGABLE FUNCTIONS OF THE GENERAL ASSEMBLY OF SHAREHOLDERS.** The GENERAL ASSEMBLY OF SHAREHOLDERS shall have the following exclusive functions that may not be delegated to any other of the Company's governing bodies:

a) Approve the general remuneration policy for the Board of Directors, as well as in the case of Senior Management when their corresponding remuneration includes a variable component linked to the value of the Company's share; b) approve the Board of Directors' succession policy; c) approve the segregation (irregular spin-off) of the Company.

**ARTICLE 24: RIGHT TO INSPECTION.** Within a term of fifteen (15) business days prior to the meeting at which the Statement of Financial Position is to be approved, shareholders may request information or clarification regarding the documents required by currently applicable legal provisions, or the matters to be discussed as appearing on the agenda of the corresponding notice of meeting or any information that the Company should have placed in the public domain. This information shall be made available at the Company's Secretary's offices or on the Company's website. In the case of extraordinary meetings, information relating to decisions to be made at the meeting shall be made available to the shareholders in accordance with that provided by currently applicable legislation.

**PARAGRAPH ONE.** The Company may refuse to provide the requested information, when according to its own internal procedures, as defined by the Board of Directors, such information is considered: i) unreasonable; ii) irrelevant for ascertaining how the Company or its interests are being managed; iii) confidential, since it includes insider information, trade secrets, transactions whose successful completion depends on the Company maintaining the secret of their negotiation; and iv) any other information whose disclosure would imply imminent and serious danger for the Company's competitive position or the security of both the Company and its executives.

**PARAGRAPH TWO.** As part of the shareholders' right to inspection, all information or clarification given to one of the Company's shareholders shall be given to all the other shareholders on the Company's website, in the section specifically laid on for shareholders.

**PARAGRAPH THREE. SPECIALIZED AUDITS ON THE PART OF SHAREHOLDERS AND INVESTORS.** In addition to the right to inspection, as stipulated in these by-laws, the Board of Directors may authorize specialized audits to be performed for the account of the shareholder or group of investors requesting such providing the shareholder holds a minimum 5% of the Company's paid-in share capital or the group of investors hold a minimum 5% of the respective issue of securities. These audits shall be performed on items different from those audited by the Company's Statutory Auditor, based on the terms and conditions contained in the Company's Code of Good Corporate Governance.

## CHAPTER VI

### BOARD OF DIRECTORS

**ARTICLE 25: STRUCTURE AND LENGTH OF SERVICE.** The BOARD OF DIRECTORS shall consist of seven (7) principal members, as appointed by the GENERAL ASSEMBLY OF SHAREHOLDERS for periods of two (2) years beginning on the date of their appointment, without detriment to being re-appointed or freely removed at any time by the GENERAL ASSEMBLY OF SHAREHOLDERS itself.

25% of the total number of members of the Board of Directors shall enjoy an independent status. No single independent member may be appointed to serve for a period of ten (10) successive years.



**PARAGRAPH.** Basic information regarding the Company's directors, senior management and executive officers can be found on the Company's website.

**ARTICLE 26: PARTIAL REAPPOINTMENTS.** Members of the BOARD OF DIRECTORS may be freely dismissed by the GENERAL ASSEMBLY OF SHAREHOLDERS, according to the rules and regulations that apply to each case. However, the BOARD OF DIRECTORS may not be subject to any partial reappointments, without a new ballot being held based on the electoral quotient system, when said vacancies are filled by the unanimous votes of all those shares represented at the meeting in question.

**ARTICLE 27: THE CHIEF EXECUTIVE OFFICER SERVING ON THE BOARD OF DIRECTORS.** The Company's CHIEF EXECUTIVE OFFICER, be appointed member of the BOARD OF DIRECTORS.

**ARTICLE 28: MEETINGS OF THE BOARD OF DIRECTORS.** The Board of Directors shall meet periodically whenever it should see fit or when current legislation or the oversight authorities should so require. Meetings can also be called by the Company's CHIEF EXECUTIVE OFFICER, the STATUTORY AUDITOR or by two (2) of its Members These meetings shall be held at the Company's registered place of business or the venue decided for special cases as the BOARD should so decide.

The BOARD OF DIRECTORS shall appoint a Chairman from amongst its members, as well as a Vice-Chairman.

**PARAGRAPH.** Meetings of the Board may be held remotely or members may submit written votes based on the terms and conditions provided in the Code of Commerce.

**ARTICLE 29: DISCUSSING AND DECIDING ON MATTERS PUT BEFORE THE BOARD.** The BOARD OF DIRECTORS shall discuss and validly decide on all matters put before in the presence and with the vote of the majority of its members, except when a unanimous or a greater majority vote is required either by law or pursuant to these by-laws.

**ARTICLE 30: BOARD MEETING MINUTES BOOK.** Minutes of all meetings held by the BOARD OF DIRECTORS shall be recorded in the corresponding MINUTES BOOK, and kept at the Company's registered place of business. These minutes shall evidence the date and time of the meeting held, the names of those attending, the matters discussed, the decisions made and the number of votes cast for or against a decision as well as those left blank, along with any record left by the attending members, any appointments made and the date and time the meeting was brought to a close. These MINUTES shall be signed by the person presiding over the meeting in question as well as the incumbent Secretary to the Board of Directors or his or her stand-in

**PARAGRAPH.** In the case of meetings held remotely or when votes are cast in writing, the minutes of said meetings shall be drawn up and filed based on the terms and conditions and within the deadlines set by the Code of Commerce.

**ARTICLE 31: FUNCTIONS OF THE BOARD OF DIRECTORS.** The BOARD OF DIRECTORS is understood to be delegated with the broadest possible mandate to manage the Company and therefore shall have sufficient powers to execute or enter into any document, agreement or contract that falls within the Company's business purpose as well as adopt all that required for the Company to fulfill its goals. Consequently the Board of Directors shall have the following functions:  
a) issue shares held in reserve and regulate their placement pursuant to all legal requirements and subject to the provisions of these bylaws; b) call for ordinary or extraordinary meetings of the

GENERAL ASSEMBLY OF SHAREHOLDERS when required due to the unforeseen or urgent needs of the Company or whenever the shareholders representing not less than twenty-five (25%) per cent of the subscribed shares should so request; c) Create the senior management positions considered necessary for the smooth running of the Company's business, regulate the duties of these incumbents, set their fees or remuneration, approve all those appointments that come under the BOARD OF DIRECTORS' scope of responsibility, and grant leaves of absence or accept the resignation of those who hold such positions; d) Discuss and approve the interim financial statements, as well as provide their prior approval to the year-end financial statements, the Company's Management Report, the proposed distribution of its profits or plans for wiping out losses to be submitted to the GENERAL ASSEMBLY OF SHAREHOLDERS at their Ordinary Meetings; e) examine, whenever necessary either directly or through one or various committee members duly appointed for this purpose the books, ledgers, documents, assets and premises belonging to the Company; f) arrange for the opening or closing, in compliance with all applicable legal requirements any branch office or agency required by the Company; g) in case of any failure on the part of shareholders to pay any outstanding amount on their subscribed shares, decide on the most appropriate collection means to be applied amongst those duly authorized by law; h) authorize the CHIEF EXECUTIVE OFFICER, Legal Representatives and members of the BOARD OF DIRECTORS, whenever necessary and based on all applicable legal provisions to buy and sell Company shares ; i) delegate when considered expedient and on a temporary basis some of the functions of the BOARD OF DIRECTORS, as stipulated in this Article, to the Company's CHIEF EXECUTIVE OFFICER provided that these are of the type that can be delegated; j) authorize, by means of an unanimous decision, for the Company to guarantee or endorse any obligation pertaining to its related parties; k) Adopt the Code of Good Governance and the Code of Conduct fulfilling all those requirements set out therein, ensuring that it is effectively complied with and approving any amendments or revisions required, pursuant to all applicable legal and regulatory provisions. It shall also ensure respect for the rights of all shareholders and other investors; l) regulate specialized audits performed on the part of shareholders and investors, based on that stipulated by law as well as in the Company's by-laws and Code of Good Governance; m) approve the appraisals performed on contributions made in kind when receiving these in exchange for shares issued by the Company; n) approve share conversion rules and regulations as well as any other documents that the shareholders must abide by; o) any other function that should be assigned to the Board as stipulated by law or in the Company's by-laws, or those that have not been assigned to any other of the Company's governing bodies.

**PARAGRAPH ONE.** In addition to the above, the BOARD OF DIRECTORS shall carry out the following functions which cannot be delegated to Senior Management: a) approve and periodically monitor the Company's strategic plan, business plan, performance goals and annual budgets; b) define the structure and / or governance model of the business group, Grupo Empresarial SURA, this being understood as the Company, its subsidiaries and affiliated entities; c) approve the Company's financial and investment guidelines or policies ; d) approve the remuneration and performance evaluation policy for Senior Management; e) approve investments, divestitures or any other kind of operation, which could be considered as having a strategic importance, given its value or characteristics, or which could affect the Company's strategic assets or liabilities; f) approve the Company's Corporate Governance policy and its Annual Corporate Governance report; g) approve the Company's information and communication policy with shareholders, the markets, stakeholder groups and public opinion; h) approve the Company's risk management policy and the periodic assessment and monitoring of the main risks to which the Company is exposed, including those relating to off-balance sheet transactions; i) approve, implement and monitor the Company's internal control systems, including transactions with offshore companies, to be carried out in accordance with all those procedures, risk control systems and alarm triggers that the Board shall have approved for said purpose; j) approve Senior Management's succession policies; k) submit for the approval of the GENERAL ASSEMBLY OF SHAREHOLDERS, the

proposed succession policy for the Board of Directors; l) approve policies relating to the Company's whistle-blowing channels; m) approve the appointment, remuneration, performance evaluations and dismissal of the Company's Chief Executive Officer; n) approve the appointment and dismissal of members of Senior Management and the Company Secretary as proposed by the Company's Chief Executive Officer; o) approve the remuneration plans for members of senior management and the respective indemnity provisions; p) set up Board Committees and approve their internal operating rules and regulations ; q) submit to the GENERAL ASSEMBLY OF SHAREHOLDERS the proposed remuneration policy for members of the Board; r) submit to the GENERAL ASSEMBLY OF SHAREHOLDERS the proposed policy for repurchasing the Company's own shares; s) Submit to the General Assembly of Shareholders proposals for hiring the Company's Statutory Auditor, after analyzing the firm's experience, the time made available as well as the human and technical resources required to carry out this work, in accordance with the Framework Policy for Appointing the Company's Statutory Auditor; t) approve creating or acquiring stakes in special purpose entities or entities domiciled in countries or territories considered tax havens as well as other transactions or operations of a similar nature, the complexity of which could stain the Company's transparency ; u) act as a liaison between the Company and its shareholders, creating adequate mechanisms for providing these with accurate and timely information; v) monitor the integrity and reliability of the Company's accounting and internal reporting systems based on reports issued by the Company's internal auditing department and its legal representative ;w) supervise both the financial and non-financial information that is periodically reported by the Company in its capacity as a listed issuer and in keeping with its reporting and communications policy; x) monitor the autonomy and efficiency of the Company's internal auditing function; y) oversee the effectiveness of the Company's corporate governance practices, the degree to which they comply with the rules of ethical conduct adopted by the Company; z) carry out periodic follow-ups on the Company's performance and the ordinary course of its business, as well as reviewing the performance evaluations of members of senior management; aa) ensure that the process of proposing and appointing its members is carried out in accordance with the formal procedures put into place by the Company for such purpose; ab) approve the internal rules and regulations governing the Board's structure and operating framework , as well as the functions and responsibilities of its members, the Chief Executive Officer and the Secretary to the Board; ac) become apprised with and manage any conflicts of interest between the Company and its shareholders, members of the Board of Directors and Senior Management; ad) In the event of sustaining any material impact, approve all those transactions between the Company and controlling or significant shareholders, as defined by the Company's shareholder structure, or represented on the Board; as well as with persons related to these together with companies belonging to Grupo Empresarial SURA; ae) the Board shall conduct an annual evaluation of its own performance, both on a collective and individual level. These performance evaluations shall cover meeting attendance, their active participation in the decision-making process, follow-ups carried out on key topics, tasks performed and contributions made towards defining the Company's strategies and projection. For this purpose, commonly accepted self-evaluation or evaluation methodologies shall be used that may involve outside consultants. The Board of Directors shall design the mechanism to be used to evaluate the performance of the Company's Senior Management.

**PARAGRAPH TWO.** The Company's Board of Directors and its Senior Management shall present the Shareholders at their Annual Ordinary Meetings, and as part of their Annual Corporate Governance Report, all those reports required by both the law and the Company's by-laws on the performance and main activities carried during the year by the Board of Directors, its Board Committees and the Chief Executive Officer, so as to inform shareholders of what has been carried out and for these to exercise the respective controls.

**ARTICLE 32: CHAIRMAN OF THE BOARD OF DIRECTORS.** The Chairman of the Board of Directors shall have the following functions: a) ensure that the Board puts into place and efficiently implements the Company's strategic plan; b) coordinate and plan the Board's tasks by means of an annual work plan based on its assigned duties; c) call for meetings, either directly or through the Secretary to the Board; d) prepare the agenda of items to be discussed at these meetings, in conjunction with the Company's Chief Executive Officer, the Secretary to the Board and other board members; e) ensure that information is provided to the members of the Board of Directors in a timely and adequate fashion, either directly or through the Secretary to the Board; f) preside over meetings and handle discussions; g) ensure that whatever the Board should decide is duly carried out as well as monitor assignments and decisions; h) monitor the active participation of the members of the Board; i) direct the annual performance evaluations of the members of the Board of Directors and its Board Committees, except for his or her own evaluations.

**ARTICLE 33: COMPANY SECRETARY.** The Company shall have a Company Secretary who shall act as Secretary to the Board of Directors and the General Assembly of Shareholders. The Company Secretary's Office shall have qualified staff to attend all those queries on the part of the shareholders. The Company Secretary shall be responsible for handling all matters concerning the Company's shareholders of the Company.

**PARAGRAPH.** The Company Secretary shall be appointed by the Board of Directors as proposed by the Company's Chief Executive, after a report is issued by the Board Committee responsible for staff appointments and remuneration.

The functions of the Company Secretary shall be laid down in the Board of Directors' Rules and Regulations.

The Company Secretary shall not be a member of the Board.

## CHAPTER VII

### SENIOR MANAGEMENT

**ARTICLE 34: LEGAL REPRESENTATION AND CORRESPONDING APPOINTMENTS.** The CHIEF EXECUTIVE OFFICER and SENIOR EXECUTIVE OFFICERS shall be appointed by the Board of Directors and may be indefinitely appointed or freely dismissed by the Board at any time. All Company employees shall report to the CHIEF EXECUTIVE OFFICER with regard to performing their duties.

**PARAGRAPH. ADMINISTRATIVE, LEGAL AND JUDICIAL REPRESENTATION.** For the purposes of representing the Company in an administrative, legal and judicial capacity, any of the Company's officers, as appointed by the Board of Directors shall serve as its representative before all judicial, administrative, law enforcement, centralized and decentralized State entities or authorities.

**ARTICLE 35: FUNCTIONS.** The functions of a legal representative are as follows: a) - Legally represent the Company and be in charge of the immediate steering and handling of its business; b) - Enter into on behalf of the Company all contracts and agreements relating to its corporate purpose; c) - Adopt and enforce the decisions made by the GENERAL ASSEMBLY OF SHAREHOLDERS and BOARD OF DIRECTORS ; d) - Appoint and dismiss the staff for which it is responsible as well as appoint and dismiss any other employee as a result of this task being delegated to the BOARD OF DIRECTORS; e) - Appoint the attorneys considered necessary to



represent the company in court and/or out-of-court proceedings; f) - Take the necessary measures for the adequate conservation of the Company's assets and the proper collection and application of funds, monitor and direct the activities of the Company employees and give orders and instructions to ensure that the Company runs smoothly; g) - Call the BOARD OF DIRECTORS to a meeting, whenever this is considered necessary or appropriate, while maintaining the Board sufficiently and opportunely informed on how the Company's business is running; submit for its consideration the interim financial statements, provide all reports that the Board should request with regard to the Company and its activities; h) Submit to the General Assembly of Shareholders at their Annual Meetings, the year-end financial statements, together with other reports and the profit distribution proposal and other details and special information required by law, after the Board of Directors have examined, discussing and initially approved such. These reports shall include a description of the main risks involving the Company's activities, pursuant to applicable legislation. i) Ensure that all information disclosed by the Company to the market at large, is accurate, complete and timely. j) -All other responsibilities pursuant to applicable legislation

**ARTICLE 36: POWERS AND AUTHORITY.** The CHIEF EXECUTIVE OFFICER, and the SENIOR EXECUTIVE OFFICERS shall represent the Company in a legal capacity, and shall therefore be empowered to enter into or execute, without any other limitation than those stipulated in these by-laws with regard to operations that must be previously authorized by the BOARD OF DIRECTORS or the GENERAL ASSEMBLY OF SHAREHOLDERS, all those contracts and arrangements pertaining to the Company's business purpose or which are preliminary, supplementary or complementary to the Company being able to pursue its goals as well as those relating to the Company's own good standing and proper working order. The Company's CHIEF EXECUTIVE OFFICER and SENIOR EXECUTIVE OFFICERS shall be especially empowered to reach agreements and negotiate settlements for, as well as take all necessary measures to ensure the Company's ongoing business, bring legal action and file law suits, as provided by law, receive, replace, acquire, grant and renew any financial obligations or loans, give or receive goods in lieu of payment, provide all those judicial or extrajudicial powers of attorney and delegate powers and issue instructions to such representatives or replace these according to that provided by the Company's by-laws. In addition to the above, the Company officer appointed by the Board of Directors shall have powers of legal representation pursuant to the terms and conditions set forth in of these by-laws.

**ARTICLE 37: INTERNAL CONTROLS.** The Company has established the following internal control mechanisms, which allow shareholders and investors to monitor the control the activities conducted and be informed of the relevant findings.

**a. INTERNAL AUDITING DEPARTEMENT:** The Company has a governing body responsible for the internal auditing of the Organization's activities; ensuring that all internal policies and legal provisions are duly complied with, as well as defining policies and designing the internal control procedures that must be implemented within the Company according to its respective needs, as well as the instructions and suggestions provided by the Statutory Auditor, thereby allowing the Company to adequately comply with its corporate purpose and reach its goals. This governing body shall be totally separate from the Statutory Auditor

**b. THE FINANCE AND AUDITING COMMITTEE.** This Committee is responsible for creating a control culture within the Company, ensuring strict compliance with the Company's Code of Conduct and evaluating all aspects regarding the Company's finances and accounting, its financial planning, contingency plans, internal risk detection and management policies as well as any other functions that may be attributed by law to this Committee.



The Committee shall supervise the Company's compliance with its internal auditing program, provide a comprehensive evaluation of all of its departments and ensure that the Company's reporting information is drawn up, presented and disclosed as provided by law.

This committee shall consist of three (3) independent members of the Board. All members shall be appointed by the Board itself. They shall meet at least once (1) every three months. Committee meetings shall be presided over by one of its members and decisions shall be taken based on a simple majority vote.

The Company's Statutory Auditor shall attend these Committee meetings and shall be entitled to speak but not to vote. The Chief Executive Officer, Senior Executive Officers and the Internal Auditor may attend these meetings as well as any other officer, depending on the nature of the issues to be discussed at each meeting. The Company Secretary shall serve as Secretary to these meetings.

The Board of Directors shall draw up the rules and regulations governing the workings of this Committee and shall define the criteria to be applied for the remuneration of its members.

The Committee may hire independent specialists for specific cases, whenever advisable, and shall comply with the Company's general hiring policies for this purpose

The interim, as well as year-end financial statements must be submitted for the consideration of the Audit Committee before being presented to the Board of Directors and the General Assembly of Shareholders.

The decisions made by the Audit Committee shall be recorded in the form of minutes, which shall be governed by the same requirements as the minutes of meetings held by the Board of Directors.

**c. STATUTORY AUDITOR:** The Company shall have a Statutory Auditor, whose functions, proficiency and other aspects are regulated by Chapter VIII of these by-laws or, otherwise, by applicable legislation.

**PARAGRAPH.** All those reports provided by the Company to its shareholders and investors shall include, whenever required, reports on the Company's internal control activities and the corresponding findings.

## CHAPTER VIII

### STATUTORY AUDITOR

**ARTICLE 38: APPOINTMENT.** The STATUTORY AUDITOR and corresponding DEPUTY shall be appointed by the GENERAL ASSEMBLY OF SHAREHOLDERS for periods of two (2) years but may be dismissed at any time. The Statutory Auditor shall be replaced by his or her deputy in the former's temporary or absolute absence

**PARAGRAPH.** Senior Management shall ensure that the appointment of the Statutory Auditor on the part of the General Assembly of Shareholders shall be carried out with the utmost transparency and objectivity, pursuant to that stipulated in the Policy Framework for Appointing a Statutory Auditor which shall have been drawn up and approved by the Board of Directors.

**ARTICLE 39: EXPERTISE AND LEGAL REQUIREMENTS.** The Statutory Auditor and corresponding DEPUTY must be public accountants and shall be subject to all those ineligibilities, prohibitions, incompatibilities and responsibilities provided by law. PARAGRAPH. The post of Statutory Auditor may also be held by a corporate person who shall in turn appoint the person responsible for carrying out this function and his or her corresponding alternate, according to that provided in this case by applicable Colombian legislation

**ARTICLE 40: FUNCTIONS.** The STATUTORY AUDITOR shall have the following functions: a) Ensure that all operations entered into or carried out on behalf of the Company comply with applicable legislation, these corporate by-laws, the decisions of the GENERAL ASSEMBLY OF SHAREHOLDERS and the BOARD OF DIRECTORS; b) Render timely accounts in writing to the GENERAL ASSEMBLY OF SHAREHOLDERS, the BOARD OF DIRECTORS or the CHIEF EXECUTIVE OFFICER or other LEGAL REPRESENTATIVES as the case may be, regarding any irregularity with the Company's performance and the carrying out of its corporate business; c) Assist government oversight authorities in inspecting and monitoring the Company and to provide them with any reports that may be required; d) Ensure that the Company's accounting records are adequately maintained and the minutes of the meetings of the GENERAL ASSEMBLY OF SHAREHOLDERS and the BOARD OF DIRECTORS are properly kept along with the Company's correspondence and accounting vouchers, giving the necessary instructions for such purposes; e) Regularly inspect the Company's assets and ensure that adequate measures are taken for these to be kept safe and secure as well as those given or received in safekeeping or in any other capacity; f) Issue instructions, carry out inspections and request the necessary reports to establish permanent control over the Company's securities; g) Provide signed authorizations for any financial statement that is drawn up, providing his or her opinion or corresponding report; h) Call the GENERAL ASSEMBLY OF SHAREHOLDERS to extraordinary meetings when considered necessary, i) Perform the functions as provided by law and these by-laws as well as any other function that the GENERAL ASSEMBLY OF SHAREHOLDERS should entrust the STATUTORY AUDITOR and which shall be compatible with those inherent to this position.

**ARTICLE 41: RELEVANT FINDINGS ON BEHALF OF THE STATUTORY AUDITOR.** The Statutory Auditor shall include in his or her opinion or report addressed to the General Assembly of Shareholders, based on his or her professional judgment, any relevant findings pursuant to Section 5 of Article 208 of the Code of Commerce, so that these may receive all the necessary information in order to make the corresponding decisions.

## CHAPTER IX

### FINANCIAL STATEMENTS, RESERVES AND DIVIDENDS

**ARTICLE 42: FINANCIAL STATEMENTS.** The Company's reporting period shall follow that of the normal calendar year, ending on December 31. The Company shall close its books on the cut-off date so as to proceed to draw up its Statement of Financial Position and Statement of Comprehensive Income corresponding to the year in question, as well as a detailed inventory of all the Company's assets and liabilities, in accordance with applicable legal provisions and accounting standards, which shall be submitted for the consideration of the GENERAL ASSEMBLY OF SHAREHOLDERS at their ordinary Annual Meetings, together with any other report, proposal and document required by law. Whenever the BOARD OF DIRECTORS should so decide, special or interim financial statements shall be drawn up as well as any other financial statement that the BOARD OF DIRECTORS should require.

**ARTICLE 43: PROFITS.** No profits shall be distributed without these being based on the Company's year-end Statement of Financial Position as approved by the GENERAL ASSEMBLY

OF SHAREHOLDERS. Neither shall any profits be distributed if losses from prior periods affecting the Company's capital have not been wiped out. Losses affecting capital shall be understood to mean when the Company's net equity falls below its amount of the subscribed capital.

**ARTICLE 44: PROFIT DISTRIBUTIONS.** Profits for each fiscal year as determined on the Company's Statement of Financial Position which shall be approved by the GENERAL ASSEMBLY OF SHAREHOLDERS, shall be distributed in accordance with the following rules and regulations and whatever applicable legislation should so prescribe: a) - Ten percent (10%) of the net profits after tax shall be allocated to the Company's statutory reserve until at least fifty (50%) per cent of its subscribed capital is reached. When this limit is reached, the GENERAL ASSEMBLY OF SHAREHOLDERS shall decide on whether to continue to build up the Company's statutory reserve. However if the statutory reserve falls below this limit, the Company shall be bound to allocate ten per cent (10%) of its profits until such reserve reaches the set limit once more; b) Once these amounts have been allocated to the Company's statutory reserve, other funds can be assigned to other reserves as agreed by the GENERAL ASSEMBLY OF shareholders.. These reserves shall have a clear and specific use, and the amounts to be allocated therein shall be binding for the year in which the corresponding profits are obtained and changes may only be made to their use or distribution by the GENERAL ASSEMBLY OF SHAREHOLDERS; c) In the event of losses from prior periods not having been wiped out, the profits for the current period shall be used to settle such losses before allocating these to any statutory, voluntary or occasional reserve; d) The profits remaining after making the corresponding allocations to the statutory, voluntary or occasional reserves, can be used to pay dividends to shareholders in the same proportion as the amounts paid on the nominal value of its shares, e) Dividends shall be paid in cash, in the 12-month period following the date on which such dividends are declared, in the manner that the GENERAL ASSEMBLY OF SHAREHOLDERS should so decide, and from which any amounts that the shareholder should owe the Company shall be deducted. However, should the GENERAL ASSEMBLY OF SHAREHOLDERS so decide, dividends may be paid in the form of stock dividends or bonus shares, and this decision shall be binding on all shareholders should this be approved by a vote of eighty percent (80%) of the shares represented at the corresponding meeting; in the absence of this majority vote, these stock dividends or bonus shares may only be issued to those shareholders who are willing to accept them.

**PARAGRAPH.** Any decisions with regard to distributions of profits require the affirmative vote of at least 78% of the shares represented at the corresponding meeting. Should this majority vote not be obtained, at least 50% of the net profits or the corresponding balance must be distributed, if the Company has to wipe out losses from previous years.

## CHAPTER X

### DISSOLUTION AND LIQUIDATION

**ARTICLE 45:** The Company shall be dissolved: a) -Upon the expiry of its term of duration, as stipulated in these by-laws, should this not be validly extended beforehand; b) -When it is impossible to continue as a corporate enterprise, due to its termination or the extinction of the thing or things whose exploitation forms the Company's corporate purpose; -c) When the number of associates required drops to below the number required by law for its formation or working order; -d) Whenever decided by the GENERAL ASSEMBLY OF SHAREHOLDERS; - e) Whenever decided by competent authorities in all those cases specifically prescribed by law; - f) When losses are sustained that reduce the Company's net equity to below fifty percent (50%) of its subscribed

capital; -g) When ninety-five percent (95%) or more of the Company's outstanding are held by one single shareholder, -h) Any other grounds prescribed by law in the case of commercial companies.

**ARTICLE 46: DISSOLUTION DUE TO LOSSES.** Whenever losses are sustained that reduce the Company's net equity to less than fifty percent (50%) of its subscribed capital, the Company shall NOT BE DISSOLVED AUTOMATICALLY, since the GENERAL ASSEMBLY OF SHAREHOLDERS may take measures or instruct measures to be taken in order to restore the Company's net equity to more than fifty percent (50%) of its subscribed capital, within six (6) days following the date of the Statement of Financial Position where such losses appear. If such measures are not taken within the aforementioned period, the GENERAL ASSEMBLY OF SHAREHOLDERS must declare the dissolution of the Company so as to proceed with its liquidation.

**ARTICLE 47: LIQUIDATOR.** Once the Company has been dissolved, for any reason, the liquidation and dividing up of the company's assets shall be conducted, as prescribed by law, by a special liquidator to be appointed by the GENERAL ASSEMBLY OF SHAREHOLDERS with no restriction to appointing several liquidators, and in this case determine whether these are to act jointly or separately. While the Company's dissolution is declared and a Liquidator and his or her Deputy are appointed, the persons appearing in the Company Registry as the Company's representatives shall act in the latter's capacity, as stipulated in Article 227 of the Code of Commerce.

**ARTICLE 48: LIQUIDATION RULES AND REGULATIONS.** The Company's liquidation and the dividing up of its assets shall be carried out based on applicable commercial law and applicable provisions of the Civil Code while observing the following rules and regulations: a) A meeting of the GENERAL ASSEMBLY OF SHAREHOLDERS shall be called which shall meet at the times, and in the manner and terms prescribed for regular and special meetings as often as it is called by the liquidator, the Statutory Auditor, the government oversight authority, or when requested by a number plural of shareholders representing one quarter (1/4) or more of the Company's subscribed shares; b) The GENERAL ASSEMBLY OF SHAREHOLDERS may determine which assets should be distributed in kind, setting their corresponding values and the way in which such goods are to be allocated as well as authorize the Liquidator to distribute such, as prescribed by law; c) For approving the periodic accounts rendered by the liquidator or any occasional reports that may be required, as well as authorize the allocation of assets in kind, granting special benefits to Company debtors or ordering transactions or waivers to be performed as required or considered fitting to facilitate or complete the Company's liquidation, for which an absolute majority of the votes present shall suffice, d) For approving the final liquidation account and the distribution records, the affirmative vote of the majority of shareholders attending the meeting shall suffice, whatever the number of shares are therein represented.

**ARTICLE 49: CONFLICT RESOLUTION MECHANISMS.** Any discrepancies that should at any time arise between the shareholders and the Company or amongst the shareholders themselves, given their inherent nature, shall be subject in the first instance to an attempt to directly settle the issue in question; and in the second instance, by friendly arbitration and in the third instance through the conciliation services offered by the Conciliation and Arbitration Center attached to the Chamber of Commerce of Medellin.

If after resorting to all three (3) methods of resolving the conflict, no settlement is reached, the matter shall be referred to an Arbitration Panel.

This Arbitration Panel shall hear the case in Medellín, and shall consist of three Colombian citizens who shall issue an arbitral award pursuant to applicable law. These arbitrators shall be appointed based on currently applicable legislation, which shall also apply to the rules of procedure to be followed by the Arbitration Panel, unless special rules of procedure apply to the case at hand; however, should the parties fail to agree on the appointment of all or some of the arbitrators, the Conciliation and Arbitration Center attached to the Chamber of Commerce of Medellín shall proceed to select the arbitrators required from a list mutually agreed upon by both parties, which shall contain a minimum of ten (10) candidates. The Secretary to the Arbitration Panel shall be appointed by the arbitrators themselves, once this is set up.