

Issue	Recommendation	Response	Comments	Date of Implementation	Amendment date
CELSIA S.A. E.S.P.	1.1. The Company provides equal treatment to all shareholders, who within the same share class are under the same terms, without this implying that some shareholders have access to privileged information and others do not.	YES	Celsia provides equal treatment to all its shareholders. Section 1 of Chapter II of the Corporate Governance Code stipulates that shareholders are entitled to receive fair treatment by the Company's management. Furthermore, section 28 of Article 35 of the Company Bylaws establishes as a function of the Board of Directors to ensure respect for the rights of all its shareholders and other securities investors in equal and fair terms.	12/15/2001	
CELSIA S.A. E.S.P.	1.2. The Board of Directors has approved a specific procedure that defines the company's practices regarding its relationship towards shareholders of different conditions on matters such as: access to information, resolution of information requests, communication channels, interactions between shareholders and the Company, its Board of Directors and other	YES	The Company Bylaws and Corporate Governance Code, approved by the Board of Directors, stipulate the mechanisms for relating with shareholders. Said mechanisms include: (i) Holding the General Meeting of Shareholders, which is supported by a series of legal rights (the exercise of political rights such as the right to inspection, to submit proposals to the Meeting, etc.) and other additional rights defined by the Company (possibility of requesting additional topics on the agenda, asking questions prior to the meeting); (ii) having an Investors Relations Office (personalized attention by phone or e-mail) dedicated	6/25/2008	12/15/2015

	Managers.		<p>to addressing shareholders and investors requests; (iii) publication of Relevant Information and press releases; (iv) the Company's website has a site specifically aimed at shareholders and investors with relevant information; (v) making management reports and other types of reports covering topics of interest, such as the corporate governance report; (vi) teleconferences of results, (vii) participation in events with shareholders, and others. Fiduciaria Bancolombia, as issuance manager for the Company, is another channel to contact shareholders. Furthermore, Celsia's Code of Business Conduct defines how employees must behave with stakeholders.</p>		
CELSIA S.A. E.S.P.	2.1. On its website, the Company provides the public with clear, accurate and true information about the different share classes issued by the Company, the number of shares issued for each class, and the number of shares on reserve, as well as the rights and duties inherent to each class of share.	YES	<p>Celsia's website reports on shares issued by the Company (ordinary shares), and the number of outstanding shares, including shares in reserve. Likewise, the Corporate Governance Code, which is published on the Company's website, establishes shareholders' rights and obligations.</p>	12/15/2013	

<p>CELSIA S.A. E.S.P.</p>	<p>3.1. Any transactions that can result in a dilution of capital for minority shareholders (as in an increase of capital waiving preemptive rights, a merger, split or spin-off, etc.), will require the Company to provide shareholders with a detailed report from the Board of Directors and a recommendation, regarding the transaction terms, from a fairness opinion external independent advisor, appointed by the Board of Directors. These reports are available to shareholders prior to the Meeting within the terms to exercise the right to inspection.</p>	<p>YES</p>	<p>Prior to the General Meeting of Shareholders, shareholders will have access to information concerning the points to be addressed on the Agenda, including reports required to clarify transactions that could potentially dilute minority shareholders' share.</p>	<p>10/4/2001</p>	<p>12/15/2015</p>
<p>CELSIA S.A. E.S.P.</p>	<p>4.1. The Company has a corporate website in both Spanish and English, with a link to Corporate Governance or shareholder and investor relations or its equivalent, which includes financial and</p>	<p>YES</p>	<p>Celsia has a website in English and Spanish with general information on the Company, its businesses, sustainability model, company structure, policies and codes, governance structure, information on Fundación Celsia, financial reports, press releases, Company news, good practices adopted,</p>	<p>6/25/2008</p>	<p>12/15/2013</p>

	<p>nonfinancial information under the terms proposed by recommendations 32.3 and 33.3, and which will never disclose confidential information about the Company or pertaining to industrial secrets, or information that may be used to the detriment of the Company if disseminated.</p>		<p>shareholder structure, and other matters of importance for its different stakeholders. The website is: <a href="http://www.celsia.com">www.celsia.com</a></p>		
<p>CELSIA S.A. E.S.P</p>	<p>4.2. The Company has permanent access mechanisms aimed exclusively at shareholders, including a link on the website accessible only to shareholders, a shareholder services and investor relations office and regular informational meetings, among others, where shareholders can express their opinions, voice their concerns and make suggestions about the Company's endeavors, or anything pertaining to their condition as shareholders.</p>	<p>YES</p>	<p>Celsia has a website in English and Spanish with information of interest for its shareholders and investors, which includes general information, Company structure, sustainability model, policies and codes, governance structure, financial information, good practices, shareholder structure, and other relevant issues.</p> <p>The Company also has an Investors Relations Office providing attention by telephone, e-mail or in person (at its corporate headquarters) to serve of its shareholders and investors. Contact information for shareholders services is posted on the Company website. In addition, Fiduciaria Bancolombia as issuance manager also addresses Celsia's</p>	<p>10/4/2001</p>	<p>12/15/2013</p>

			<p>shareholders concerns and requests at the national level.</p> <p>In addition, the Corporate Governance Code allows shareholders to submit requests or complaints through the Chief Legal Officer.</p> <p>Furthermore, the Company holds quarterly teleconferences that are open to all shareholders and investors. At these teleconferences, the CEO and Chief Officers present quarterly financial results and address participants' concerns.</p> <p>Similarly, both the Investors Relations Office manager and the Chief Financial Officer, and in some cases the Company CEO, will lead and/or participate in events for shareholders, investors and market analysts in which they present business indicators, the Company's strategy, and provide opportunities to address concerns.</p>		
<p>CELSIA S.A. E.S.P.</p>	<p>4.3. The Company hosts quarterly results presentations for its shareholders and market analysts that can be attended in person or remotely via teleconferences (conference,</p>	<p>YES</p>	<p>The Company holds quarterly teleconferences for shareholders, investors and market analysts. At these teleconferences, the CEO and Chief Officers present quarterly financial results and address participants' concerns. In addition, the Company participates in investor</p>	<p>12/15/2011</p>	

	videoconference, etc.).		<p>events, both local and international, attended by fixed and variable income investors. At these events, business indicators and the Company's strategy are presented and concerns are addressed.</p> <p>These events are attended by the Investors Relations Office manager, the Chief Financial Officer and sometimes the Celsia CEO.</p>		
CELSIA S.A. E.S.P.	4.4. The Company organizes or participates in presentations, events and fixed income forums primarily focusing on those investing in debt instruments and market analysts, where the issuer's business indicators, liabilities management, financial policies, ratings, and performance in regards to covenants, etc. are updated	YES	<p>The Company participates in investor events, both local and international, attended by fixed and variable income investors. At these events, business indicators and the Company's strategy are presented and concerns are addressed.</p> <p>These events are attended by the Investors Relations Office manager, the Chief Financial Officer and sometimes the Celsia CEO</p>	12/15/2009	
CELSIA S.A. E.S.P.	4.5. The Company Bylaws stipulate that a shareholder or group of shareholders that represents at least five percent (5%) of the capital may request Special Audits on matters other than those audited by the	YES	The paragraph in Article 18 of the Company Bylaws and section 5 of Chapter V of the Corporate Governance Code, both posted on the website, establish that a shareholder or number of shareholders that collectively represent at least 5% of the paid-in capital is allowed to request specialized audits.	12/15/2005	12/15/2015

	Company's Statutory Auditor. Based on its capital structure, the Company may determine a percentage below five percent (5%).		Similarly, they indicate that an investor or number of investors that have at least 5% of the total amount of securities other than outstanding shares can request these audits.		
CELSIA S.A. E.S.P.	4.6. To exercise this right, the Company has a written procedure as regards the provisions included in recommendation 4.6.	YES	The paragraph of Article 18 of the Company Bylaws and section 5 of Chapter V of the Corporate Governance Code establish the procedure for shareholders and investors to exercise the right to request specialized audits on documents that they have the right to inspect during the meeting announcement. Moreover, aspects such as the minimum number of shareholders and investors that can request said audits, the procedure, the Board of Directors' obligation to give an answer, the qualities of the party that can conduct the audits, and who shall assume the costs, among others are also established.	12/15/2005	12/23/2015
CELSIA S.A. E.S.P.	5.1. Members of the Board of Directors and Senior Management have expressly accepted in their Acceptance Letters or contracts that, upon notification of a Takeover Bid (TOB) or other relevant transactions like	YES	Section 5 of Chapter III of the Corporate Governance Code describes the provisions for Directors and employees to trade shares. Within these provisions restrictions are stated for acquiring Company shares during relevant and imminent operations such as mergers, acquisitions, reorganizations or important transactions, from the time the operation is	6/25/2008	12/23/2015

	<p>mergers or splits, there shall be periods during which they agree to not directly or indirectly trade Company shares through an intermediary.</p>		<p>known until it is made public. In the nomination acceptance letters, Members of the Board of Directors state that they are aware of these restrictions established in the Corporate Governance Code to transfer Company shares. This statement is described in measure 5.1 of this survey. Likewise, these restrictions are binding for Senior Management members inasmuch as noncompliance of the provisions stipulated in the Corporate Governance Code is considered a serious breach of the contract of employment.</p>		
<p>CELSIA S.A. E.S.P.</p>	<p>6.1. Notwithstanding the independence of each individual company under the Conglomerate and the responsibilities of their management bodies, there is an organizational structure in the Conglomerate that defines three (3) levels of governance — the General Meeting of Shareholders, the Board of Directors and Senior Management — the key bodies and individual</p>	<p>YES</p>	<p>Celsia's Board of Directors approved the Relations Policy included in the reference framework of institutional relations between companies of Grupo Empresarial Argos. This policy defines how the parent company seeks to provide strategic guidelines to its subsidiaries, basically through its participation in the Boards of Directors, which are the highest bodies in charge of strategic approach and supervision of businesses. On the other hand, Senior Management members interact at work roundtables, with the aim of promoting and sharing best practices between related companies to maintain the interaction with subsidiaries</p>	<p>6/21/2016</p>	



	positions, as well as the relationships between them, which are public, clear and transparent, and allow to draw clear lines of responsibility and communication, facilitating the strategic orientation, supervision and effective control and management of the Conglomerate.		from a strategic, financial, corporate governance and institutional perspective. These roundtables promote harmonious relations among the corporate group and do not replace the functions of the subsidiary's Boards of Directors.		
CELSIA S.A. E.S.P.	6.2. The parent company and its most important subsidiaries have defined a frame of reference for institutional relations by signing a public agreement approved by the Board of Directors of each company that governs the issues described in recommendation 6.2.	YES	Celsia's Board of Directors approved the Relations Policy included in the reference framework of institutional relations between companies of Grupo Empresarial Argos. This policy defines how the parent company seeks to provide strategic guidelines to its subsidiaries, basically through its participation in the Boards of Directors, which are the highest bodies in charge of strategic approach and supervision of businesses.	6/21/2016	
CELSIA S.A. E.S.P.	7.1. Except in the case of disputes among shareholders, or between shareholders and the Company or its Board of Directors, which due to their legal character	YES	Article 64 of the Company Bylaws and section 1 of Chapter VII of the Company's Corporate Governance Code define alternative forms of conflict resolution, and indicate that if the conflict is not resolved through direct settlement, any of the	10/4/2001	12/15/2014

	must be resolved by ordinary jurisdiction, the Company Bylaws include conflict resolution mechanisms such as direct agreement, amicable settlement, conciliation and arbitration.		parties may appeal the decision before a Court of Arbitration, which shall decide pursuant to applicable law.		
CELSIA S.A. E.S.P.	8.1. In addition to other functions attributed to the General Meeting of Shareholders by the legal framework, the Bylaws expressly describe the functions of the General Meeting of Shareholders established in recommendation 8.1., and highlight that they are exclusive and cannot be delegated.	YES	Article 29 of the Company Bylaws stipulates that one of the functions of the General Meeting of Shareholders is to approve the Board of Directors' remuneration and succession policy, approve the transfer or lease of all establishments that comprise the Company, adopt amendments to the bylaws, and approve the spin-off.	6/25/2008	12/23/2015
CELSIA S.A. E.S.P	9.1. The Company has Rules of Procedure for the General Meeting of Shareholders which govern all matters pertaining hereto including: announcing the meetings, preparing information for shareholders, attendance, conducting the Meeting and	YES	The Company has Rules of Procedures for the General Meeting of Shareholders which are described in Articles 17 to 29 of the Company Bylaws and in section 4 of Chapter II of the Corporate Governance Code. These documents are available to shareholders on Celsia's website.	6/25/2008	12/15/2015

	exercising shareholder rights. This is to ensure that shareholders are completely informed about the Meeting and how it will be conducted.				
CELSIA S.A. E.S.P	10.1. In order to help shareholders exercise their right of information, the Bylaws stipulate that the ordinary General Meeting of Shareholders must be announced at least thirty (30) calendar days in advance, and that extraordinary meetings must be announced at least fifteen (15) calendar days in advance. The aforementioned is notwithstanding the legal terms established for corporate reorganizations such as mergers, splits or transformations.	YES	Article 21 of the Company Bylaws and section 4.1 of Chapter II of the Company's Corporate Governance Code establish that the term for announcing ordinary General Meetings of Shareholders is 30 calendar days in advance while for extraordinary meetings is 15 calendar days.	12/23/2015	
CELSIA S.A. E.S.P	10.2. In addition to the traditional and mandatory requirements included in the legal framework, the Company ensures maximum disclosure and publicity to	YES	In addition to the provisions of the Company Bylaws (publication of the announcement in a newspaper that circulates near the Company headquarters), the Corporate Governance Code stipulates that, in order achieve greater	6/25/2008	12/23/2015

	<p>announce the meeting through the use of electronic media, including the corporate website, alerts via individual e-mails, and if deemed appropriate, through social media.</p>		<p>dissemination, the announcement will also be published on the Company website and another newspaper in addition to that required by Company Bylaws (section 4.1 of Chapter II). For the evaluated period, the announcement was published in two widely circulated national newspapers, it was also posted as Relevant Information on the Financial Superintendence website, posted on the Company website and on social media, and reminders were published on two widely circulated national newspapers one day before the meeting and emailed to shareholders</p>		
<p>CELSIA S.A. E.S.P</p>	<p>10.3. To increase transparency in the decisionmaking process during the General Meeting of Shareholders, the Company not only provides the meeting Agenda with a point-by-point list of the topics to be discussed, but at the same time as the Meeting is announced or at least fifteen (15) calendar days prior to the Meeting, it also makes the Agreement Proposals to be presented at the</p>	<p>YES</p>	<p>For the evaluated period, shareholders had access to the proposals as they were received, and related documents with each of the points on the Agenda during the term of the announcement. This information was available at the Company headquarters along with the documents subject to the right to inspection and on the Company website to provide greater disclosure and access.</p>	<p>3/1/2008</p>	<p>2/20/2015</p>

	Meeting for each Agenda point by the Board of Directors available to shareholders.				
CELSIA S.A. E.S.P	10.4. Spin-offs can only be analyzed and approved by the General Meeting of Shareholders if the point was expressly included in the respective meeting announcement.	YES	The Company Bylaws indicate that if the topic of a spin-off is to be addressed, it must be included in the meeting agenda and the project or bases of the corresponding negotiation must be available to shareholders during the term of the announcement. Similarly, the Company's Corporate Governance Code stipulates that when the topic is a spin-off, it must be included in the agenda of said meeting announcement, along with other pertinent matters. No operation of this kind occurred in 2017.	6/25/2008	
CELSIA S.A. E.S.P	10.5. The Agenda proposed by the Board of Directors accurately lists the content of the topics to be discussed, so that nothing of importance is concealed or disguised under inaccurate, generic or imprecise statements such as "other" or "suggestions" and "miscellaneous".	YES	The Agenda for the 2017 General Meeting of Shareholders did not include points named "Suggestions", "Miscellaneous" or "Other". All issues to be addressed at the Meeting were included in the agenda on the date indicated in the meeting announcement, and were addressed one by one, in the order listed.	2/20/2015	
CELSIA S.A. E.S.P	10.6. In the case of amendments to the Bylaws, each article or group of	YES	Paragraph 2, section 5 of Article 29 of the Company Bylaws dictates that for	3/24/2015	

	<p>articles that are substantially independent are voted upon separately. In any case, if a shareholder or group of shareholders representing at least five (5%) of the share capital makes the request during the Meeting, separate votes will be held for each article as needed. Shareholders are notified in advance of this right.</p>		<p>purposes of amending the bylaws, every group of articles that is substantially independent shall be voted upon separately. Furthermore, any given article will be voted upon separately if requested by a shareholders or group of shareholders representing at least five percent (5%) of the share capital during the Meeting. This was the case in 2015; no amendments to the Company Bylaws were made in 2017</p>		
<p>CELSIA S.A. E.S.P</p>	<p>10.7. Notwithstanding the provisions of Article 182 of the Code of Commerce, and in order to reinforce and guarantee right to inspection and information to shareholders prior to the Meeting, the Bylaws recognize the right of shareholders, regardless of the percentage of their shareholdings in the Company, to propose one or more points to be discussed on the General Meeting of Shareholders' Agenda, within reason and</p>	<p>YES</p>	<p>Paragraph 3 of Article 21 of the Company Bylaws and section 1.17 of Chapter II of the Company's Corporate Governance Code establish that shareholders are allowed to propose one or more points on the General Meeting of Shareholders' Agenda. The Company Bylaws indicate that these proposals and their corresponding justifications must be sent to the Company Secretary by any written means within five (5) calendar days following the publication of the meeting announcement, who will then notify the Board of Directors. In the event the Board of Directors decides not to accept the proposals for the amendment of the agenda, it will be required</p>	<p>3/24/2015</p>	

	<p>provided that the request for the new points is justified. Shareholder requests must be submitted within five (5) calendar days following publication of the meeting announcement.</p>		<p>to provide a written response indicating the grounds for its decision and notifying the shareholders of their right to discuss their proposals during the Meeting as provided in Articles 182 and 425 of the Commerce Code, as applicable. If the Board of Directors accepts said request, an addendum to the meeting announcement will be published according to the same terms as the initial announcement, including the issues submitted by shareholders, once the time for shareholders to propose topics has expired and no less than fifteen (15) calendar days prior to the date of the meeting.</p>		
<p>CELSIA S.A. E.S.P</p>	<p>10.8. If the request is dismissed by the Board of Directors, it must respond in writing to requests made by shareholders representing at least five percent (5%) of the share capital, or a lower percentage established by the Company according to the degree of concentration of the ownership, explaining the reasons that motivated its decision and informing</p>	<p>YES</p>	<p>Paragraph 3 of Article 21 of the Company Bylaws establishes that if the Board of Directors dismisses any of the requests addressed in this measure, it must respond to the shareholders, regardless of their percentage of participation in the share capital, explaining the reasons for the decision, and notify them of their right to state their proposals during the Meeting.</p>	<p>3/24/2015</p>	

	shareholders of their right to present their proposals during the General Meeting of Shareholders pursuant to the provisions of Article 182 of the Code of Commerce.				
CELSIA S.A. E.S.P	10.9. If the Board of Directors accepts the request and the shareholders' time to propose topics pursuant to the preceding recommendations has expired, the Company shall publish an addendum to the announcement of the General Meeting of Shareholders at least fifteen (15) calendar days prior to the meeting.	YES	Paragraph 3 of Article 21 of the Company Bylaws establishes the Company's obligation to publish the addendum to the announcement in the event the Board of Directors accepts the request made by any shareholder to that effect. This publication shall be made at least 15 calendar days prior to the meeting date.	3/24/2015	
CELSIA S.A. E.S.P	10.10. Within the same period established in section 10.7, shareholders may also submit new substantiated Agreement Proposals on matters already included on the Agenda. For these requests, the Board of Directors shall	YES	Paragraph 3 of Article 21 of the Company Bylaws and section 1.17 Chapter II of the Corporate Governance Code establish the right of shareholders to submit alternative proposals regarding issues included in the agenda within 5 calendar days after publication of the meeting announcement. Similarly, the Company Bylaws establish the same	3/24/2015	



	act in a similar manner as was described in sections 10.8 and 10.9.		procedure indicated to process proposals of new points to be discussed in the agenda.		
CELSIA S.A. E.S.P	10.11. The Company undertakes to use electronic communication channels, primarily the corporate website with exclusive access for shareholders to provide them with the documents and information associated to each of the points on the Meeting agenda.	YES	The Company posted the General Meeting of Shareholders' agenda on its website, on the shareholders section, as well as related documents with each of the points to be discussed.	3/1/2008	
CELSIA S.A. E.S.P	10.12. The Company Bylaws recognize the shareholders' right to request with sufficient notice any information or clarification deemed appropriate, using traditional channels and/or when applicable, using new technologies for that purpose, or to submit in writing any questions deemed necessary with regard to matters included in the Agenda, documentation received or regarding public	YES	Paragraph 4 of Article 21 of the Company Bylaws stipulates that shareholders can formulate questions on topics included in the agenda or regarding documentation published or facilitated by the Company up to 2 business days before the meeting. The same is set out in the Corporate Governance Code in section 4.2.8 of Chapter II.	3/24/2015	

	<p>information provided by the Company. In line with the term established by the Company regarding the General Meeting of Shareholders' announcement, it will determine the period during which shareholders may exercise this right.</p>				
<p>CELSIA S.A. E.S.P</p>	<p>10.13. The Company has specified that information requested may be denied if, pursuant to internal procedures, it is considered to be: i) unreasonable; ii) irrelevant for understanding the Company's development or interests; iii) confidential, which includes privileged information as regards the securities exchange, industrial secrets, transactions underway for which the Company's success substantially depends on secret negotiations; and iv) others which, if</p>	<p>YES</p>	<p>Paragraph 3 of Article 21 of the Company Bylaws established the reasons for denying information as indicated herein. The same is set out in the Corporate Governance Code in section 4.2.8 of Chapter II.</p>	<p>3/24/2015</p>	

	disclosed, could place its competitiveness at an imminent and serious risk.				
CELSIA S.A. E.S.P	10.14. When the response to a shareholder can give them an advantage, the Company will ensure that the other shareholders simultaneously have access to said response, using the mechanisms available for that purpose, and under the same terms.	YES	Section 2.4 of Chapter IV of the Company's Corporate Governance Code establishes that when the response or the information provided to a shareholder or an investor may give them an advantage, such answer shall be immediately accessible through the mechanisms established under this Code, such as the disclosure through the Company's website or through the Financial Superintendence, as Relevant Information. Paragraph 4 of Article 21 of the Company Bylaws also regulates this situation.	6/25/2008	
CELSIA S.A. E.S.P	11.1. Notwithstanding the limits set forth by Article 185 of the Code of Commerce, Public Notice 24 / 2010 and the regulations that amend, supplement or replace it, the Company does not limit the shareholder's right to be represented at the General Meeting of Shareholders, allowing them to	YES	The Company does not limit the shareholder's right to be represented at the General Meeting of Shareholders, allowing them to delegate their vote to any individual, whether a shareholder or not. Additionally, the Company provides shareholders the means to facilitate their participation in the Meeting. One of the measures implemented is to give notice in the meeting announcement of the option shareholders have of being represented at the Meeting. In addition, power of	10/4/2001	3/24/2015

	delegate their vote to any individual, whether a shareholder or not.		attorney templates are posted on the corporate website.		
CELSIA S.A. E.S.P	11.2. The Company minimizes the use of proxy blank votes without voting instructions, actively promoting the use of a letter of representation standard template that the Company provides shareholders or posts on its website. The template includes the points on the Agenda and corresponding Agreement Proposals, which are decided pursuant to a previously established procedure and are submitted to the shareholders' consideration, with the goal of allowing the shareholder to indicate to their representative the how the interests are to be voted for each instance, as deemed appropriate.	YES	The Company publishes a power of attorney template on its website to be used by shareholders when delegating their vote, as established by the Corporate Governance Code.	3/24/2015	
CELSIA S.A. E.S.P	12.1. With the aim of revitalizing the	YES	Section 4.3 of Chapter II of the Company's Corporate Governance Code	6/25/2008	12/15/2015

	<p>General Meeting of Shareholders' role in representing corporate intent, and in order to make it a more participative body, the Company's Rules of Procedure require Board members, and especially Chairs of Board of Directors Committees, as well as the Company CEO, to attend the General Meeting of Shareholders and respond to the shareholders' concerns</p>		<p>stipulates that unless justified, Board members, including Committee Chairs, must attend Meetings. Similarly, it specifies that the Company CEO and the Board of Directors as representatives of management are the ones who present the financial information, management reports and other relevant documentation to shareholders at the Meeting. Article 23 of the Company Bylaws sets out that the Company CEO is the one who must chair the meetings; therefore, his attendance is mandatory.</p>		
<p>CELSIA S.A. E.S.P</p>	<p>13.1. The Bylaws expressly indicate those functions that may not be delegated to Senior Management, including those stipulated in recommendation 13.1.</p>	<p>YES</p>	<p>Article 35 of the Company Bylaws stipulates the functions of the Board of Directors, which include the majority of those indicated in recommendation 13.1, and additionally states that functions set forth by Public Notice 028 / 2014 issued by the Financial Superintendence (Código País) may not be delegated. These are: approve and monitor the strategic plan, business plan, management objectives and the budget; define the organization structure; approve financial and investment policies; approve the Board of Directors' remuneration and succession policy; approve the Senior Management's</p>	<p>3/24/2015</p>	

			evaluation and remuneration policy, among others.		
CELSIA S.A. E.S.P	13.2. Notwithstanding the autonomy of the governing bodies at Subsidiaries, anytime the Company acts as parent company of a Conglomerate, these functions of the Board of Directors have a group focus and are executed through general policies, guidelines or information requests that respect the balance between the parent company's interests and the interests of the subsidiaries and the Conglomerate as a whole.	N/A	The Company is part of Grupo Empresarial Argos, whose parent company is Grupo Argos S.A.		
CELSIA S.A. E.S.P	14.1. The Board of Directors has approved the internal rules of procedure that govern its organization and operations, as well as the functions and responsibilities of its members, its Chairman and Secretary, and their duties and rights.	YES	The Company Bylaws include provisions that govern the Board of Directors' composition, operation, functions, presidency, vicepresidency, delegation, ineligibilities and remuneration. Furthermore, section 2 of Chapter III of the Corporate Governance Code, approved by the Board of Directors, defines its rules of procedure. The Company Bylaws and the	6/25/2008	

	Said regulations are provided to shareholders and are binding for Board members.		Corporate Governance Code are published on the Celsia website, and their amendments are posted as Relevant Information.		
CELSIA S.A. E.S.P	15.1. Pursuant to its bylaws, the Company has opted not to designate Alternate Members of the Board of Directors.	YES	By statutory provision (paragraph 1, Article 30 of the Company Bylaws), the Company's Board of Directors is comprised of seven (7) principal members, with no alternates.	3/27/2007	
CELSIA S.A. E.S.P	16.1. Based on the premise that once elected, all Board members act in the Company's best interest, the Company engages in an exercise of maximum transparency to identify its Board members' backgrounds in accordance with the plan described in recommendation 16.1.	YES	The Company's Corporate Governance Code (subsection 2.2.4 of section 2, Chapter III) classifies the Board members as Executive, Independent and Proprietary. In addition, the website identifies the independent and proprietary members that currently comprise the Board of Directors. At this time, the Board does not have executive members.	12/15/2015	
CELSIA S.A. E.S.P	16.2. The Company has a procedure, coordinated through the Appointment and Remuneration Committee or another committee that fulfills its functions, which allows the Board of Directors to	NO	The Company's Corporate Governance Code establishes that the Appointment and Remuneration Committee is responsible for ensuring that requirements and procedures are met as regards the election of Board members. The Code also points out that said members must have a distinguished professional		

	achieve the objectives set forth in recommendation 16.2 through its own dynamics and the conclusions of the annual assessments.		career, experience in business management and outstanding personal and moral qualities. Furthermore, there must be diversity in gender and knowledge.		
CELSIA S.A. E.S.P	16.3. The Board of Directors notifies the shareholders about the professional profiles deemed necessary so that the various stakeholders, primarily controlling or significant shareholders, families, shareholder groups and institutional shareholders, if any, and the Board of Directors itself, are ready to identify the most suitable candidates.	NO	The Corporate Governance Code also points out that Board members must have a distinguished professional career, experience in business management and outstanding personal and moral qualities. Furthermore, it stipulates that there must be diversity in gender and knowledge in the Board of Directors. The Company's website publishes the curriculum vitae of current Board members, who stand out due to their experience and knowledge, making them suitable for the positions they hold. Once there is a proposal for the Board of Directors' remuneration and succession policy, it will be submitted to the corresponding governing body for approval.		
CELSIA S.A. E.S.P	16.4. The Company believes that the evaluation of curricula vitae performed by shareholders is an insufficient resource in determining candidate	YES	Article 37 of the Company Bylaws defines ineligibilities and incompatibilities for Board members, which must be reviewed by management when shareholders propose candidates for the Board of Directors. Similarly, pursuant to the Corporate	10/4/2001	12/15/2015



	<p>suitability. Therefore, it put in place an internal procedure to assess any incompatibilities and inabilities of legal nature, as well as the candidate's suitability to meet the Board of Directors' needs by assessing a set of criteria the candidates' functional and personal skills must meet, and verify compliance with objective requirements to become a Board member. Likewise, they must meet additional requirements to become an Independent Member.</p>		<p>Governance Code, the Appointment and Remuneration Committee must ensure that the majority of candidates selected to be Board members meet the qualifications to be considered as independent members. Before each meeting is held at which Board members will be elected, the candidates' profiles, their curricula vitae, statements of independence, among other information will be available on the Company's website.</p>		
<p>CELSIA S.A. E.S.P</p>	<p>16.5. Apart from the requirements of independence already stated in Law 964 / 2005, the Company has voluntarily adopted a definition of independence more rigorous than that established under said law. This definition has been adopted as a frame of reference</p>	<p>YES</p>	<p>The requirements established by the Company in paragraph 2 of Article 30 of the Company Bylaws and in section 2.2.2 of Chapter III of the Corporate Governance Code to consider a Board member as independent are more strict than the provisions of Law 964 / 2005, because they include their personal relations (spouse, relatives to the third degree of</p>	<p>3/19/2013</p>	<p>12/15/2015</p>

	<p>through the Rules of Procedure for the Board of Directors, and includes, among the requirements to be assessed, relations or connections of any nature on the part of the candidate for Independent Board Member with controlling or significant shareholders and Related Parties, both domestic and foreign, and demands a double declaration of independence: (i) by the candidate before the Company, its shareholders and members of the Senior Management, through a Letter of Acceptance, and (ii) by the Board of Directors declaring the candidate's independence.</p>		<p>consanguinity, second degree of affinity, and first degree civilly) in considering conditions of independence. Additionally, these provisions indicate that most members of the Board of Directors must comply with the requirements to be considered independent members. Candidates make their declaration of independence to the company at the time they accept the nomination to the corresponding list, which is published on the Company website. Moreover, the Board of Directors' Appointment and Remuneration Committee reviews the information on</p>		
<p>CELSIA S.A. E.S.P</p>	<p>16.6. The Company, pursuant to its internal regulations, considers that the Board of Directors, through the Chairman of the Board and working</p>	<p>YES</p>	<p>The Company Bylaws set forth a procedure for shareholders to propose candidates to join the Board of Directors which provides enough time for the Board of Directors' Appointment and Remuneration Committee to assess the candidates' conditions, and the</p>	<p>10/29/2013</p>	<p>12/23/2015</p>

	<p>with the Appointment and Remuneration Committee or other committee that fulfills its duties, is the most adequate body to centralize and coordinate the process of building the governing body prior to the General Meeting of Shareholders. Accordingly, shareholders who, based on their share participation, aspire to be part of the Board of Directors, can learn about the Board's needs and describe their aspirations, negotiate stock balances and distribution among the different member categories, present their candidates and agree to have them assessed by the Appointment and Remuneration Committee prior to voting at the General Meeting of Shareholders.</p>		<p>management to publish their curricula vitae on the website in order for other shareholders to view it.</p>		
<p>CELSIA S.A. E.S.P</p>	<p>16.7. The Rules of Procedure for the Board of Directors stipulate that candidate suitability must be</p>	<p>YES</p>	<p>Paragraph 3 of Article 30 of the Company Bylaws establishes a procedure to propose candidates to become Board members that provides enough time</p>	<p>3/25/2014</p>	<p>12/15/2015</p>

	<p>assessed prior to the General Meeting of Shareholders, so that shareholders have sufficient information (personal qualities, suitability, professional career, experience, integrity, etc.) on the candidates appointed to join it that allows them to assess adequately.</p>		<p>for the Board of Directors and/or its support committees (Appointment and Remuneration Committee) to assess the candidates. In addition, section 2.16.3 of Chapter III of the Corporate Governance Code indicates that the Board of Directors' Appointment and Remuneration Committee ensures that the requirements and procedures for the election are met, including a review of the profiles and conditions of independence. Once there is a proposal for the Board of Directors' remuneration and succession policy, it will be submitted to the corresponding governing body for approval.</p>		
<p>CELSIA S.A. E.S.P</p>	<p>17.1. The Rules of Procedure for the Board of Directors specify that Independent and Proprietary Board members are always in the majority over Executive members, whose number, in the case of joining the Board of Directors, is the minimum necessary to address the needs for sharing information and coordinating between the</p>	<p>YES</p>	<p>Paragraph 2 of Article 30 of the Company Bylaws and section 2.2.2 of Chapter III of the Company's Corporate Governance Code stipulate that a majority of Board members must be independent. The current Board of Directors has four independent members and no executive members.</p>	<p>10/29/2013</p>	<p>3/25/2014</p>

	Company's Board of Directors and Senior Management.				
CELSIA S.A. E.S.P	17.2. Based on the minimum percentage of twenty-five percent (25%) of Independent Members established by Law 964 / 2005, the Company analyzes and voluntarily adjusts, upwards, the number of Independent Members, taking into account, among others, that the number of independent members must be proportional to the Floating Capital.	YES	Paragraph 2 of Article 30 of the Company Bylaws and section 2.2.2 of Chapter III of the Company's Corporate Governance Code stipulate that a majority of Board members must be independent. At present, the majority of Board members are independent.	10/29/2013	3/25/2014
CELSIA S.A. E.S.P	18.1. The functions of the Chairman of the Board are established in the Company Bylaws, and its primary responsibilities are established in recommendation 18.1.	YES	The paragraph of Article 32 of the Company Bylaws lists the functions of the Chairman of the Board as indicated in Measure 18.1.	3/24/2015	
CELSIA S.A. E.S.P	18.2. The Company's internal regulations stipulate the possibility that the Chairman of the Board may be treated differently than other members	NO	Nevertheless, the Chairman of the Board has responsibilities and functions assigned by internal regulations, and no remuneration different than other board members is foreseen.		

	both in his obligations and in his compensation, due to the scope of its specific functions and more time on the job.				
CELSIA S.A. E.S.P	18.3. The Company Bylaws include the rules for appointing the Secretary of the Board, including those indicated in recommendation 18.3.	YES	Article 43 of the Company Bylaws provides the rules to appoint the Secretary of the Company, who in turn is the Secretary of the Board.	10/4/2001	3/24/2015
CELSIA S.A. E.S.P	18.4. The Rules of Procedure for the Board of Directors establish the functions of the Secretary, which include those contained in recommendation 18.4.	YES	Article 44 of the Company Bylaws stipulates the functions of the Secretary, which are indicated in recommendation 18.4.	10/4/2001	3/24/2015
CELSIA S.A. E.S.P	18.5. The Board of Directors has an Appointment and Remuneration Committee.	YES	One of the Board of Directors' Support committees is the Appointment and Remuneration Committee, which is comprised of three (3) Board members, one (1) as independent, who are designated by the Board itself. Their functions are established in section 2.16.3 of Chapter III of the Corporate Governance Code, which include compliance monitoring of the requirements and procedures to elect Board members; to inform, when	6/25/2008	12/15/2015

			necessary, of the conditions of independence, and compliance of the profiles defined for candidates becoming Board members; to assess the candidates and propose the nomination and removal of the Company CEO; and to propose the evaluation, remuneration and succession policies of the Company's Senior Management and Human Resources members.		
CELSIA S.A. E.S.P	18.6. The Board of Directors created a Risk Committee	YES	One of the Board of Directors' support committees is the Audit, Finance and Risk Committee, and its functions and formation are defined in Article 49 of the Company Bylaws, and in section 2.16.1 of Chapter III of the Corporate Governance Code.	11/29/2005	12/15/2015
CELSIA S.A. E.S.P	18.7. The Board of Directors has a Corporate Governance Committee	YES	One of the Board of Directors' Support Committees is the Sustainability and Corporate Governance Committee, which is comprised of three (3) Board members, designated by the Board itself. One of its members is the Chairman of the Board, and at least one (1) of the three (3) members must be independent. The Committee's functions are defined in section 2.16.3, Chapter III of the Corporate Governance Code. Some important functions include: procure	6/25/2008	12/15/2015

			<p>full, accurate and timely access for all shareholders and the market in general to any Company information that needs to be disclosed; coordinate the orientation process for new members and promote training and updates for them on topics related to Board of Directors competencies and Company business; ensure that corporate governance practices adjust to the provisions of the Corporate Governance Code; and formulate proposals and actions, considering best sustainability practices.</p>		
<p>CELSIA S.A. E.S.P</p>	<p>18.8. If the Company has deemed it unnecessary to create all these Committees, their functions have been distributed among existing Committees or assumed by the Board of Directors in full.</p>	<p>YES</p>	<p>The Board of Directors has the following Support Committees: Audit, Finance and Risk Committee, Sustainability and Corporate Governance Committee, and Appointment and Remuneration Committee. These Committees encompass the functions assigned to Board of Directors support Committees as defined by Public Notice 028 of 2014 issued by the Financial Superintendence of Colombia.</p>	<p>6/25/2008</p>	<p>12/15/2015</p>
<p>CELSIA S.A. E.S.P</p>	<p>18.9. Every Board of Directors Committee has its own Rules of Procedure that govern the details of its formation, the issues and functions on which</p>	<p>YES</p>	<p>The Committees' rules of operation are defined in the Company's Corporate Governance Code, and its Bylaws for the Audit, Finance and Risk Committee. The Board of Directors' Support Committees are</p>	<p>6/21/2016</p>	



	<p>the Committee must work, and its operation, giving special attention to the communication channels between the Committees and the Board of Directors, and in the case of Conglomerates, to the relation and coordination mechanisms between the Board of Directors Committees of the parent company and subsidiaries, if any.</p>		<p>comprised of members of the Board itself, which allows them to have ongoing communication between both entities. In addition, all the Committee meeting minutes are published on the electronic consultation tool all Board members have access to. With regard to Committee relations mechanisms of the Conglomerate (Celsia's parent company), Grupo Argos S.A. has adopted a relations policy for all companies in the business group which was approved by Celsia's Board of Directors in 2016, which seeks, among other things, to ensure adequate implementation of the corporate strategy and policies through the parent company's participation in its subsidiaries' Boards of Directors, and thereby in the Committees.</p>		
<p>CELSIA S.A. E.S.P</p>	<p>18.10. Board of Directors Committees are exclusively made up of Independent or Proprietary members; they have a minimum of three (3) members, headed by an Independent Member. In the case of the Appointment and Remuneration Committee,</p>	<p>NO</p>	<p>Board of Directors Committees are comprised of independent and proprietary members. Neither the Board of Directors nor its Committees have executive members. The Audit, Finance and Risk Committee shall be comprised of independent members, therefore its Chair is also independent, and the other Committees must also have at least one independent member.</p>		

	Independent Members are always the majority.				
CELSIA S.A. E.S.P	18.11. The Board of Directors Committees can obtain on-going or occasional help from Senior Management members who have experience on matters of their competence, and/or from outside experts.	YES	Senior Management staff whose functions are related to those of Committee members participate in Board of Directors Committees. The Corporate Governance Code stipulates that Board members have access to management staff as needed to carry out their functions and develop the tasks inherent to their positions as directors.	6/25/2008	
CELSIA S.A. E.S.P	18.12. In forming its Committees, the Board of Directors considers the profiles, knowledge and professional experience of the members as it pertains to the Committee's subject matter.	YES	The Board of Directors chooses Committee members by reviewing their profiles, knowledge and professional expertise required for the tasks inherent to each Committee, as stated by the Corporate Governance Code. Each Board Committee member is identified on the Company website where their curricula vitae is published.	6/25/2008	12/15/2015
CELSIA S.A. E.S.P	18.13. The minutes of each Committee meeting are taken and a copy is forwarded to all the Company Board members. If the Committees have been granted decision-making powers, the	YES	Board of Directors Committee meeting minutes are made available to all Board members through the electronic information and communication tool available to them.	7/7/2014	

	minutes are adjusted to be in line with the requirements of Articles 189 and 431 of the Code of Commerce.				
CELSIA S.A. E.S.P	18.14. Unless legal or regulatory frameworks require the creation of Committees, in the case of Conglomerates, the internal regulation stipulates that the Board of Directors of the Subsidiaries may opt out of creating Committees intended to deal with certain issues. Instead, these tasks may be assumed by the Board of Directors Committees of the parent company, without this being considered as a transfer of the subsidiary Board of Directors' responsibilities to the parent company.	NO	There is no stipulation in the Company Bylaws, Corporate Governance Code, relations policy that regulates Celsia's relations with its parent company, and other internal provisions, that state that the Company can refuse to set up specific Committees to deal with certain issues and leave these tasks to be assumed by the parent company's Board of Directors Committees.		
CELSIA S.A. E.S.P	18.15. The Audit Committee's main task is to assist the Board of Directors in supervision, by assessing accounting procedures and relations with the Statutory Auditor,	YES	The main functions of the Audit, Finance and Risk Committee are defined in Article 49 of the Company Bylaws, and in section 2.16.1 of Chapter III of the Company's Corporate Governance Code. Among its functions are: to supervise and assess the	11/29/2005	12/15/2015

	and, in general, reviewing the Company's Control Architecture, including an audit of the Company's risk management system.		Statutory Audit's services, interact with the Statutory Auditor, be aware of and assess the process of preparing, presenting and disclosing financial information, and supervise internal audit services.		
CELSIA S.A. E.S.P	18.16. Audit Committee members are sufficiently experienced in accounting, finance and other related matters, which allows them to rigorously discuss issues within Committee jurisdiction and understand their scope and complexity.	YES	Members of the Audit, Finance and Risk Committee are persons with experience on accounting, financial and internal control issues. The curricula vitae of all of the Company's Board and Committee members are published on the corporate website.	11/29/2005	
CELSIA S.A. E.S.P	18.17. At the request of the Chairman of the General Meeting of Shareholders, the Chair of the Audit Committee shall inform the General Meeting of Shareholders on specific issues concerning the work performed by the Committee, such as the analysis of the scope and content of the Statutory Auditor's Report.	YES	Committee chairs attend General Meeting of Shareholders meeting to resolve any of the shareholders concerns. During the assessed period, the Chairman of the Meeting did not request any reports from the Chair of the Audit, Finance and Risk Committee.	3/31/2006	

CELSIA S.A. E.S.P	18.18. The Rules of Procedure for the Audit Committee describe its functions as indicated in recommendation 18.18.	YES	The Company's Corporate Governance Code establishes the functions of the Audit, Finance and Risk Committee, which include those described in recommendation 18.18.	12/15/2015	
CELSIA S.A. E.S.P	18.19. The main objective of the Appointment and Remuneration Committee is to support the Board of Directors in exercising its decision-making and assessment functions associated with appointing and compensating Board and Senior Management members, and to monitor enforcement of Corporate Governance regulations, by periodically reviewing its compliance, recommendations and principles (in those cases where this function is not expressly attributed to another Committee in the Company).	YES	Section 2.16.3 of Chapter III of the Company's Corporate Governance Code specify the main objectives and functions of the Appointment and Remuneration Committee, which include functions associated to the process of monitoring the election process for Board and the senior management members. The functions related to corporate governance practices correspond to the Sustainability and Corporate Governance Committee.	6/25/2008	12/15/2015
CELSIA S.A. E.S.P	18.20. Some members of the Appointment and	YES	The Board of Directors appoints Committee members by reviewing their profiles, knowledge and	6/25/2008	

	<p>Remuneration Committee are sufficiently experienced in strategy, human resources (recruitment and selection, hiring, training, personnel management and administration), salary policy, and similar issues to understand the scope and complexity of these issues in the Company.</p>		<p>professional expertise required for the tasks inherent to each Committee, as stated by the Corporate Governance Code.</p> <p>In view of the aforementioned, members of the Appointment and Remuneration Committee have knowledge and experience in the affairs pertinent thereto.</p>		
<p>CELSIA S.A. E.S.P</p>	<p>18.21. At the request of the Chairman of the General Meeting of Shareholders, the Chair of the Appointment and Remuneration Committee can notify the Meeting on specific aspects of the work performed by the Committee; i.e., monitoring the Board of Directors and Senior Management remuneration policies.</p>	<p>YES</p>	<p>Committee chairs attend General Meeting of Shareholders meeting to resolve any of the shareholders concerns. During the assessed period, the Chairman of the Meeting did not request any reports from the Chair of the Appointment and Remuneration Committee</p>	<p>6/25/2008</p>	
<p>CELSIA S.A. E.S.P.</p>	<p>18.22. The Rules of Procedure for the Appointment and Remuneration Committee describe its functions as</p>	<p>YES</p>	<p>The Company's Corporate Governance Code stipulates the functions of the Appointment and Remuneration Committee, which include those</p>	<p>6/25/2008</p>	<p>12/15/2015</p>

	indicated in recommendation 18.22.		described in recommendation 18.22.		
CELSIA S.A. E.S.P.	18.23. The main objective of the Risk Committee is to assist the Board of Directors in fulfilling its responsibilities to oversee risk management.	YES	Pursuant to section 2.16.1 of Chapter III of the Company's Corporate Governance Code, one of the Audit, Finance and Risk Committee's main functions is to review and assess risk management and recommend improvements.	11/29/2005	12/15/2015
CELSIA S.A. E.S.P.	18.24. At the request of the Chairman of the General Meeting of Shareholders, the Chair of the Risk Committee can notify the Meeting regarding specific aspects concerning the work performed by the Committee.	YES	Because the Chair of the Audit, Finance and Risk Committee attends the meeting, he can inform shareholders about matters addressed by the Committee during the year. However, this did not occur in 2016.	3/31/2006	
CELSIA S.A. E.S.P.	18.25. The Rules of Procedure for the Risk Committee confer the functions stipulated in recommendation 18.25, with any amendments necessary to distinguish between companies that are part of the financial or real sector of the economy, and notwithstanding the functions assigned to this Committee pursuant to current regulations.	YES	Section 2.16.1 of Chapter III of the Company's Corporate Governance Code establishes the functions of the Audit, Finance and Risk Committee, which include those described in recommendation 18.25.	11/29/2005	12/15/2015

CELSIA S.A. E.S.P.	18.26. The primary task of the Corporate Governance Committee is to assist the Board of Directors making proposals and overseeing Corporate Governance measures adopted by the Company.	YES	Pursuant to the stipulations of section 2.16.2 of Chapter III of the Company's Corporate Governance Code, one of the main functions of the Sustainability and Corporate Governance Committee is to ensure that corporate governance practices adjust to the provisions of said Code.	6/25/2008	
CELSIA S.A. E.S.P.	18.27. The Rules of Procedure for the Corporate Governance Committee describe its functions as indicated in recommendation 18.27.	YES	Section 2.16.2 of Chapter III of the Company's Corporate Governance Code specifies the functions of the Company's Sustainability and Corporate Governance Committee, which include those described in recommendation 18.27.	6/25/2008	12/15/2015
CELSIA S.A. E.S.P.	19.1 The Chairman of the Board of Directors, assisted by the Company CEO and Secretary, prepares a work plan for the Board of Directors for the assessed period. This tool helps determine a reasonable number of ordinary meetings per year, and their estimated duration.	YES	Pursuant to the provisions of section 2.3.1 of Chapter III of the Company's Corporate Governance Code, one of the functions of the Chairman of the Board is to coordinate and plan Board operations by means of a work plan based on the assigned functions, which he does with the assistance of the Company's CEO and Secretary. Indeed, this took place during the assessment period.	10/4/2001	12/15/2015
CELSIA S.A. E.S.P.	19.2. Except for entities subject to oversight, which due to their nature	YES	During the assessed period, the Company's Board of Directors held 14 sessions, including physical and	10/4/2001	3/24/2015



	are obligated to hold at least one (1) meeting per month, the Company's Board of Directors holds between eight (8) and twelve (12) ordinary meetings per year.		virtual meetings. Through the amendment carried out to the Company Bylaws approved by the General Meeting of Shareholders held on 2015, the Board of Directors must meet at least once per month.		
CELSIA S.A. E.S.P.	19.3. One (1) or two (2) Board meetings a year have a focus clearly aimed at defining and monitoring the Company's strategy.	YES	Section 2.5 of Chapter III of the Corporate Governance Code stipulates that the Board of Directors must meet at least once a year to analyze, assess and decide on the Company's planning and strategy. Over the year, the Board of Directors specifically addressed strategy on four (4) opportunities.	6/25/2008	
CELSIA S.A. E.S.P.	19.4. The Board of Directors approves a specific schedule of ordinary meetings, notwithstanding that it will hold extraordinary meetings as often as necessary.	YES	The Board of Directors approves the schedule for Board and Committee meetings to be held annually, and also defines the agenda for each meeting.	10/4/2001	
CELSIA S.A. E.S.P.	19.5. At least five (5) calendar days in advance, Board members receive the meeting announcement, as well as documents or information related to each point on the meeting agenda, so that they can	YES	Pursuant to section 2.6 of Chapter III of Celsia's Corporate Governance Code, information related to Board of Directors meetings must be submitted or made available to its members in a period of no less than five (5) calendar days, through electronic or any other means.	6/25/2008	12/15/2015

	participate actively and make reasonable decisions.		During the assessed period, this information was sent via email and made available to Board members via the electronic tool (APP).		
CELSIA S.A. E.S.P.	19.6. The Chairman of the Board, with the assistance of the Secretary of the Board, assumes the ultimate responsibility in ensuring members receive information with sufficient notice and that the information is useful. For that reason, quality must prevail above quantity in the Board of Director's dashboard.	YES	Pursuant to the Company Bylaws (paragraph of Article 32) and the Corporate Governance Code (section 2.3 of Chapter III), the Chairman of the Board must ensure proper delivery in a timely manner and due form, of Board members information, directly or through the Secretary. In fact, during the assessed period, useful information pertaining to Board of Directors meetings was sent to its members.	10/4/2001	12/15/2015
CELSIA S.A. E.S.P.	19.7. The ultimate responsibility for preparing Board meeting agendas lies with the Chairman of the Board of Directors, and not with the Company CEO. The Agenda follows certain parameters that make it possible to follow a logical order in the presentation of topics and discussions.	YES	One of the functions of the Chairman of the Board is to prepare meeting agendas pursuant to the Company Bylaws (paragraph of Article 32) and the Company's Corporate Governance Code (section 2.3 of Chapter III). During the assessed period, the Chairman of the Board, in coordination with the Company CEO and Secretary, prepared the agendas for this body's meetings.	10/4/2001	12/15/2015
CELSIA S.A. E.S.P.	19.8. Members' attendance of Board and	YES	The Annual Report published on the	3/27/2017	

	<p>Committee Meetings is published by the Company in its Annual Corporate Governance Report and on its website.</p>		<p>Company's website, (<a href="http://www.celsia.com/Portals/0/contenidos-celsia/nuestra-empresa/pdf/Informe%20Gobierno%20Corporativo%20Celsia%20-%202016.pdf">http://www.celsia.com/Portals/0/contenidos-celsia/nuestra-empresa/pdf/Informe%20Gobierno%20Corporativo%20Celsia%20-%202016.pdf</a>), which contains a chapter specialized on corporate governance issues, reports on Board members' attendance to its meetings. Similarly, attendance is reported in the corporate governance report submitted to shareholders at the General Meeting of Shareholders.</p>		
<p>CELSIA S.A. E.S.P.</p>	<p>19.9. Every year, the Board of Directors assesses its working efficiency as a governing body, as well as that of its Committees and individual members, including a peer review, and the reasonableness of its internal regulations and the dedication and performance of its members. On that basis, it proposes amendments to its organization and operations as deemed appropriate. In the case of Conglomerates, the parent company's Board of Directors requires that the assessment be carried out at the</p>	<p>YES</p>	<p>As indicated by the Company's Corporate Governance Code (section 7, Chapter III) the Board of Directors and its Committees shall be assessed once during the period for which it was elected by an external independent expert, and on the year it is not assessed under this methodology, the board shall perform a self-assessment of its management. In 2017, we carried out a self-assessment on the 2016/2017 period with the support of AT Kearney, an independent consulting firm with ample knowledge on corporate governance. The self-evaluation results may be consulted on the Company's website.</p>	<p>6/25/2008</p>	<p>12/23/2015</p>

	Boards of Directors of its subsidiaries.				
CELSIA S.A. E.S.P.	19.10. The Board of Directors alternates between the techniques of internal selfassessments and external assessments made by independent advisors.	YES	As indicated by the Company's Corporate Governance Code (section 7, Chapter III) the Board of Directors and it Committees shall be assessed once during the period for which it was elected by an external independent expert, and on the year it is not assessed under this methodology, the board shall perform a self-assessment of its management. The Company publishes the results of these assessments on its website.	6/25/2008	10/29/2013
CELSIA S.A. E.S.P.	20.1. The Rules of Procedure for the Board of Directors adds to the provisions of the regulatory framework with regards to the rights and duties of the Board members.	YES	Articles 30 to 38 of the Company Bylaws and section 2 of Chapter III of the Company's Corporate Governance Code define the Board of Directors regulations, including without limitation the duties, responsibilities, functions, and rights of its members.	10/4/2001	12/15/2015
CELSIA S.A. E.S.P.	20.2. The Rules of Procedure for the Board of Directors sets forth the Company's understanding of Board member duties referred to in recommendation 20.2.	YES	The Company's Corporate Governance Code specifies the Board of Directors' duties, which include those stipulated in recommendation 20.2	6/25/2008	12/15/2015
CELSIA S.A.	20.3. The Rules of Procedure for the	YES	Article 38 of the Company Bylaws and Corporate	6/25/2008	12/15/2015

E.S.P.	Board of Directors addresses the Board member's duties referred to in recommendation 20.3.		Governance Code (section 2 of Chapter III), which contain the Board of Directors regulations, define the Board of Directors' rights, which include those listed in recommendation 20.3.		
CELSIA S.A. E.S.P.	21.1. The Company has a policy and procedure defined and formalized in its internal regulations to support understanding, addressing and resolving conflicts of interest, whether directly or indirectly through Related Parties, which could affect Board members and other Managers.	YES	The Company Bylaws (section 34 of Article 35) and Chapter V of the Company's Code of Business Conduct contains the procedures defined to know, manage and/or resolve the situations that may derive from a conflict of interest, and conflicts, once materialized. The Code of Business Conduct is published on Celsia's website.	3/31/2006	10/29/2013
CELSIA S.A. E.S.P.	21.2. The procedure to manage conflicts of interest distinguishes the nature of the conflicts, differentiating between an occasional and permanent conflict of interest. If the conflict of interest is occasional, the applicable procedure sets the rules and steps to be followed.	NO	The procedure to manage situations that may derive from a conflict of interest, or the conflict itself, is no different from an occasional or permanent conflict of interest. However, when an event of this nature is known, for situation management purposes, the conflict is studied to determine if it is permanent or occasional. No case of permanent conflicts of interest for Board members have arisen in the Company.		

	<p>These must be relatively easy to manage and hard for the affected party to elude. In the case of permanent conflicts of interest, the procedure indicates that if the situation affects the Company's overall operations, then it is considered cause for mandatory resignation by the affected party, as it will prevent the person from performing their job duties.</p>				
<p>CELSIA S.A. E.S.P.</p>	<p>21.3. Board members, Registered Agents, Senior Management members and other Company Managers periodically notify the Board of Directors about the relations, either direct or indirect, that they engage in among themselves or with other entities or structures belonging to the Conglomerate of which the issuer is a part, or with the issuer, or</p>	<p>YES</p>	<p>The Annual Declaration of Potential Sources of Conflicts of Interest, regulated in Chapter II and V of the Company's Code of Business Conduct, Board members, registered agents and managers must state whether they have any relations with the most representative companies of Grupo Empresarial Argos, its managers, suppliers, clients, shareholders, competitors or employees. Statements about situations that may result in conflicts of interest are referred by managers, registered agents and Board members directly to the Internal</p>	<p>10/29/2013</p>	

	<p>providers, or clients or any other stakeholders that could result in conflicts of interest, or sway the direction of their opinion or vote. This procedure is used to construct a “Related Parties Map” for Managers.</p>		<p>Audit Department, which will be in charge of reviewing relevant issues along with the Business Conduct Committee, or at the Board, as the case may be.</p>		
<p>CELSIA S.A. E.S.P.</p>	<p>21.4. Situations of relevant conflict of interest understood as those conflicts that require the affected party to be absent from a meeting and/or voting, in which Board members and other Managers are part of, are collected in the public information, which the company publishes annually on its website.</p>	<p>NO</p>	<p>Situations that may result in a conflict of interest are managed by the corresponding body, pursuant to the provisions of the Company Bylaws and the Company's Code of Business Conduct, with supporting documentation of the completed analyses.</p>		
<p>CELSIA S.A. E.S.P.</p>	<p>21.5. For these purposes, the definition of Related Parties that applies to the Company is consistent with International Accounting Standard number 24 (IAS 24).</p>	<p>NO</p>	<p>The definition provided by the Company Bylaws seeks the greatest clarity for shareholders and the management. In this order of ideas, those entities of the business group to which the Company belongs, and are directors, managers, chief officers, administrators or company liquidators and their spouses or relatives to the</p>		

			second degree of consanguinity or affinity; and every person who is a real beneficiary of more than ten percent (10%) of company stock are considered a Related Party.		
CELSIA S.A. E.S.P.	22.1. The Company has a policy that defines the specific procedure to assess, approve and disclose transactions with Related Parties, including outstanding balances and operations between them, except for transactions that have a specific regulation.	YES	Section 24 of Article 35 and section 6 Article 49 of the Company Bylaws define the procedure to assess and approve transactions between related parties. Similarly, within the functions of the Board of Directors and Audit, Finance and Risk Committee which are contained in the Corporate Governance Code, are the authorizations required for this type of transactions, referring to the provisions of the Company Bylaws.	10/29/2013	12/15/2015
CELSIA S.A. E.S.P.	22.2. The Company policy on transactions with related parties addresses the aspects included in recommendation 22.2.	NO	The Company Bylaws stipulate as a function of the Audit, Finance and Risk Committee (section 6 Article 49) to issue a written opinion to the Board of Directors about possible transactions to be conducted with related parties. Similarly, the Bylaws describe as a function of the Board of Directors to approve transactions with related parties that have a material impact or are outside the scope of the ordinary course of business, or are under conditions different than the market's. These transactions are recorded		



			in the annual profit and loss statements presented at the General Meeting of Shareholders, which are published on the Company website and sent to the Financial Superintendence of Colombia.		
CELSIA S.A. E.S.P.	22.3 The policy provides that there is no need for express authorization from the Board of Directors for recurring related transactions inherent to the Company's ordinary course of business carried out in virtue of contract of adhesion or general framework contracts whose terms are perfectly standardized, are applied on a mass scale, and carried out at market prices, set generally by the acting provider of the good or service in question, and whose individual amount is not relevant to the Company.	YES	Pursuant to the Company Bylaws (section 24, Article 35), the Board of Directors is responsible for approving transactions with related parties when these have a material impact or are outside the scope of the ordinary course of business, or are in conditions different than the market's.	6/25/2008	3/24/2015
CELSIA S.A. E.S.P.	23.1. The Company has a compensation policy for its Board of Directors that was approved by	NO	Section 2.2.4 of Chapter III of the Corporate Governance Code stipulates the compensation method for Board members.		

	<p>the General Meeting of Shareholders. Said policy is reviewed every year, and it identifies all components of compensation which can be paid. These components may be fixed or variable. They can include established professional fees for Board members, professional fees for attending Board and/or Committee meetings, and other additional remunerations of any type earned throughout the year, whatever the cause, in cash or in kind, as well as obligations contracted by the Company regarding pensions or life insurance premium payments or other concepts for both former and current members, as well as insurance premiums for civil liability (D&amp;O Policies) incurred by the Company for Board members.</p>		<p>Said guidelines indicate that the General Meeting of Shareholders, for the purposes of setting the Board members' remuneration, must take into account the Board's remuneration and succession policy, which will consider: the amount of members, its structure, obligations and responsibilities, as well as its personal and professional qualities, the time they dedicate to their activities and their experience, in such a way that said remuneration adequately rewards the contribution the Company expects from its Directors. Once there is a proposal for the Board of Directors' remuneration and succession policy, it will be submitted to the corresponding governing body for approval.</p>		
<p>CELSIA S.A. E.S.P.</p>	<p>23.2. If the Company adopts compensation</p>	<p>NO</p>	<p>Once there is a proposal for the Board of Directors' remuneration and</p>		

	<p>systems based on the recognition of a variable component related to the Company's good performance in the medium and long term, the remuneration policy must include limits to the amount that the Board of Directors can distribute, and if the variable component is related to the Company's benefits or other management indicators at the close of the year being assessed, it must consider the reservations listed on the Statutory Auditor's report which could bring down the period's results.</p>		<p>succession policy, it will be submitted to the corresponding governing body for approval.</p>		
<p>CELSIA S.A. E.S.P.</p>	<p>23.3. Proprietary and Independent Board members are expressly excluded from compensation systems that include share options or variable compensation based on the absolute variation of the share price</p>	<p>NO</p>	<p>Once there is a proposal for the Board of Directors' remuneration and succession policy, it will be submitted to the corresponding governing body for approval.</p>		
<p>CELSIA S.A.</p>	<p>23.4. For each period assessed and</p>	<p>NO</p>	<p>Once there is a proposal for the Board of Directors'</p>		

E.S.P.	in the framework of the remuneration policy, the General Meeting of Shareholders approves a maximum Board of Directors cost for all the approved components of compensation.		remuneration and succession policy, it will be submitted to the corresponding governing body for approval.		
CELSIA S.A. E.S.P.	23.5. The Board of Directors' actual cost during the assessed period, which includes all the components of compensation paid to Board members and reimbursement of expenses, is known by shareholders and published on the Company website, being broken down and shown in detail, as approved by the Board.	YES	The amount of professional fees for the Board of Directors approved by the General Meeting of Shareholders is described in the financial reports published on the Company website, at the Board of Directors section. The level of detail of this information is indicated by Article 446 of the Code of Commerce. In addition, a report about this Article is submitted to the shareholders at the General Meeting of Shareholders.	10/04/2001	
CELSIA S.A. E.S.P.	24.1. The Company governance model establishes an effective separation between its administration or governance (represented by the Board of Directors) and the ordinary course of business (under the Senior Management and headed by the	YES	Pursuant to the Company Bylaws (Articles 16 and 35) and the Company's Corporate Governance Code (section 2.1 of Chapter III), the Board of Directors' functions are to govern as delegated by the General Meeting of Shareholders. This body is in charge of establishing guidelines and policies, monitoring procedures, and approving strategic	10/4/2001	12/15/2015

	Company CEO).		<p>transactions for the Company.</p> <p>Business management and operation comes under the Senior Management, which provides reports on relevant topics under its care to the Board of Directors.</p>		
CELSIA S.A. E.S.P.	24.2. Overall, the Board of Directors' policy consists of delegating the ordinary course of business to the Senior Management team, concentrating its activity on the general functions of strategy, supervision, governance and oversight.	YES	Pursuant to the Company Bylaws (Articles 16 and 35) and the Company's Corporate Governance Code (section 2.1 of Chapter III), the Board of Directors' functions are to govern as delegated by the General Meeting of Shareholders. This body is in charge of defining guidelines and policies, approving and monitoring the strategic plan, the business plan, management objectives, appointing Senior Management members, approving and monitoring the implementation and effectiveness of the internal control systems, etc.	10/4/2001	12/15/2015
CELSIA S.A. E.S.P.	24.3. As a general rule, Senior Management members are identified, assessed and appointed directly by the Company CEO, as they are their direct collaborators. Alternately, the Company may opt to have the Board of Directors	YES	According to the Corporate Governance Code (sections 2.1 and 2.16.3 of Chapter III), the Appointment and Remuneration Committee is in charge of proposing the assessment, remuneration and succession policy for Senior Management members and to monitor it. Moreover, this Committee is presented with Senior Management candidates before being submitted to election by the Board of	6/25/2008	12/15/2015

	<p>appoint Senior Management members at the recommendation of the Company CEO. Regardless of who makes the final appointment, candidates to key executive positions in the Company are identified and assessed by the Board of Directors' Appointment and Remuneration Committee, which will issue a statement providing its position.</p>		<p>Directors, the body in charge of making the appointment.</p>		
<p>CELSIA S.A. E.S.P.</p>	<p>24.4. The Company has a clear policy regarding delegation of functions approved by the Board of Directors and/or a system of powers that describes the empowerment levels of the Company CEO and other Senior Management members.</p>	<p>YES</p>	<p>As stipulated in the Company Bylaws (Articles 41 and 42), the General Meeting of Shareholders delegates to the Board of Directors the broadest mandate for managing the Company, and as such it has sufficient power to order any action to be carried out or contract to be executed, as long as these are aligned with the corporate purpose. Similarly, it is stipulated that the Board of Directors may not delegate to Senior Management members (CEOs and Chief Officers) the functions that, pursuant to the provisions of Public Notice 28 of 2014 issued by the Financial Superintendence of Colombia, are considered not to be delegated due to</p>	<p>10/4/2001</p>	<p>3/24/2015</p>

			<p>their strategic nature, becoming the responsibility of the CEO and Senior Management to handle and manage the day-to-day business autonomously. Thus, the Company Bylaws clearly establish the functions of both the Board of Directors and the registered agents. With regard to the CEO, which is an agent with representation, he is vested with executive and administrative functions, and as such, will be in charge of the Company's legal representation, its business and financial management, the responsibility for administrative action, the Company's coordination and general supervision, which will be conducted in agreement with the regulations of these bylaws and legal provisions, and subject to the orders and instructions of the Board of Directors, among other functions. Furthermore, both the CEO and other registered agents have the Company's legal representation to execute or enter into, without any limitations other than those provided by law and the bylaws regarding transactions that require prior approval by the Board of Directors or the General Meeting of</p>		
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			Shareholders, all acts and contracts encompassed in the corporate purpose, or have an accessory or complementary nature to conduct the objectives pursued by the Company, and those related to the existence and functions thereof.		
CELSIA S.A. E.S.P.	24.5. The Board of Directors, acting through the Appointment and Remuneration Committee or whoever fulfills its duties, is responsible for annually assessing the Company CEO's performance and shall be informed of the assessments of other Senior Management members.	YES	As defined in the Company Bylaws (section 6, Article 35) and in the Company's Corporate Governance Code (section 2.1 of Chapter III), the Board of Directors is in charge of assessing the CEO. The Appointment and Remuneration Committee has the function of appointing and removing the CEO, and of proposing the assessment, remuneration and succession policy for Senior Management, and to monitor it.	6/25/2008	12/15/2015
CELSIA S.A. E.S.P.	24.6. The Company has a compensation policy for its CEO and the other Senior Management members, approved by the Board of Directors, which identifies all the components for compensation that can be effectively satisfied. These are tied to the fulfillment of long-	YES	At present, the Company has a comprehensive compensation policy for Senior Management, approved by the Board of Directors, which was updated in 2016. Additionally, the Appointment and Remuneration Committee has defined the remuneration schemes, such as the Comprehensive Compensation System, which includes as part of its components an incentive tied to the achievement of	12/15/2013	11/29/2016



	term objectives and risk levels.		personal and organizational goals.		
CELSIA S.A. E.S.P.	24.7. If the Company CEO's compensation includes both a fixed and variable component, its technical design and calculation will keep the variable component from surpassing the maximum limit established by the Board of Directors.	YES	The Board of Directors, through the Appointment and Remuneration Committee, sets the maximum limits to the variable compensations of the CEO and Senior Management.	12/15/2013	
CELSIA S.A. E.S.P.	25.1. The Board of Directors is ultimately responsible for establishing a solid control environment in the Company that adapts to its nature, size, complexity and risks and complies with the budgets set forth in recommendation 25.1.	YES	The Board of Directors, through the Audit, Finance and Risk Committee, is responsible for ensuring that the Company has a solid control environment. This Committee deals with issues such as risk management, control assessment through the Internal Audit Department, reliability of financial operations (Financial Statements), and other issues. In 2015, Grupo Argos launched a consolidation process which has been providing internal control guidelines, including the relations policy (adopted by Celsia in 2016), which establishes a comprehensive risk management and internal control system. In addition, it is working on the unification of internal control, risk and compliance efforts through	12/15/2014	5/23/2017 Modif. Risk management policy

			<p>a systematized tool for all Grupo Empresarial Argos companies. Similarly, progress is being made through the corporate comptroller's office to strengthen control and risk management activities by participating in methodological definitions, revisions of strategic risks, and monitoring adequate compliance of the internal audit plan.</p> <p>Moreover, the Company has a risk management policy (which will be amended to include the assignation of risk management functions) and a Risk Management Manual that identifies risks, assesses them and measures the degree of exposure. Additionally, there is a risk matrix which sets the maximum exposure limits defined for the Company and companies in which it has a share above 50% of its subscribed and paid capital.</p>		
<p>CELSIA S.A. E.S.P.</p>	<p>25.2. In the case of Conglomerates, the Parent Company's Board of Directors will ensure the existence of a Control Architecture with a consolidated and formal scope that encompasses all the subsidiaries, establishing responsibilities for conglomerate</p>	<p>YES</p>	<p>In 2015, Grupo Argos launched a consolidation process which has been providing internal control guidelines, including the relations policy (adopted by Celsia in 2016), which establishes a comprehensive risk management and internal control system. In addition, it is working on the unification of internal control, risk and compliance efforts through</p>	<p>6/21/2016</p>	

	policies and guidelines on this matter, and defining clear reporting lines that provide a consolidated vision of the risks to which the Conglomerate is exposed and the control measures needed.		a systematized tool for all Grupo Empresarial Argos companies. Likewise, progress is being made through the corporate comptroller's office to strengthen control and risk management activities by participating in methodological definitions, revisions of strategic risks, and monitoring adequate compliance of the internal audit plan.		
CELSIA S.A. E.S.P.	26.1. In the	YES	Celsia has a risk management policy which will be amended to include the assignation of risk management functions, and a Risk Management Manual that identifies risks, assesses them and measures the degree of exposure. Additionally, there is a risk matrix which sets the maximum exposure limits defined for the Company and companies in which it has a share above 50% of its subscribed and paid capital.	12/15/2010  Risk management policy: 2014  Risk management manual: 2011  Risk Matrix: 2010	05/23/2017
CELSIA S.A. E.S.P.	26.2. The Company has a risk map, which is used to identify and monitor financial and nonfinancial risks to which it is exposed.	YES	The Company has a risk map or matrix which is periodically reviewed. The map includes all the strategic risks, and in addition, it defines others by projects and processes.	12/15/2010	12/15/2015
CELSIA S.A. E.S.P.	26.3. The Board of Directors is responsible for defining a risk management	YES	One of the functions of the Board of Directors defined by the Company Bylaws is to approve and monitor the risk administration and	3/31/2006	5/23/2017

	policy, as well as setting maximum exposure limits to each risk factor identified.		management policy. The current policy and Risk Management Manual identify the risks, assess and measure the degree of exposure. Additionally, there is a risk matrix which sets the maximum exposure limits defined for the Company and companies in which it has a share above 50% of its subscribed and paid capital.		
CELSIA S.A. E.S.P.	26.4. The Board of Directors is knowledgeable of and periodically supervises the Company's effective exposure to the maximum risk limits defined and proposes actions to correct and monitor them in case of deviations.	YES	The Board of Directors periodically supervises exposure to strategic risks limits and recommends mitigation plans. These efforts are conducted through the Audit, Finance and Risk Committee. These mitigation plans are executed by the administration through the managers or supervisors of each process.	3/31/2006	
CELSIA S.A. E.S.P.	26.5. In the framework of the enterprise risk management policy, Senior Management owns the processes and is responsible for risk management, which includes identifying, assessing, measuring, controlling, monitoring and reporting risks, defining methodologies, and ensuring that risk	YES	The Risk Management Manual and policy stipulate that staff in charge of Company departments are responsible for the comprehensive management of risks related to their activities.	12/15/2011 Risk Management Policy: 2014 Risk Management Manual: 2011	5/23/2017

	management is consistent with the strategy, the risk policy defined and the maximum limits approved.				
CELSIA S.A. E.S.P.	26.6. The Company has a risk delegation policy approved by the Board of Directors, which establishes the risk limits that can be directly managed by each level in the Company.	YES	The risk management policy, approved by the Board of Directors, includes the approvals or powers to authorize about the risk levels related to the probability and impact of risk.	05/23/2017	
CELSIA S.A. E.S.P.	26.7. In Conglomerates, risk management must be consolidated, so as to contribute to the cohesion and control of group companies.	YES	Today, at the conglomerate level, there is a corporate risk and audit synergy roundtable led by Grupo Empresarial Argos' Comptroller, which aims to deal with risks at the group level.	6/15/2015	
CELSIA S.A. E.S.P.	26.8. If the Company has a complex and varied structure of businesses and operations, it shall have a Chief Risk Officer (CRO), who has responsibility at the Conglomerate level when dealing with integrated companies in situations of control and/or business groups	YES	Grupo Empresarial Argos' Comptroller is the person in charge of the corporate risk and audit synergy roundtable at the conglomerate level. In addition, risk management in the Company is under the Chief Financial Officer and Risks Director, who is part of this Department.	6/15/2015	
CELSIA S.A.	27.1. The Board of Directors is	YES	The Board of Directors monitors the	10/4/2001	12/15/2015

E.S.P.	responsible for ensuring the implementations of an adequate internal control system that adapts to the Company and its complexity and is consistent with the current risk management policy.		administration's actions to prevent the materialization of risks, defines guidelines for strategic issues, approves and monitors the strategy and budget. It also monitors the internal audit plan and implementation of the recommendations through the Audit, Finance and Risk Committee; and approves and monitors the implementation and effectiveness of the internal control systems, among other activities (section 20 of Article 35 of the Company Bylaws).		
CELSIA S.A. E.S.P.	27.2. The Board of Directors is responsible for supervising the efficiency and suitability of the internal control system and it may delegate this responsibility to the Audit Committee, but the Board continues to be responsible for oversight.	YES	The Board of Directors monitors the administration's actions to prevent the materialization of risks, defines guidelines for strategic issues, approves and monitors the strategy and budget. It also monitors the internal audit plan and implementation of the recommendations through the Audit, Finance and Risk Committee; and approves and monitors the implementation and effectiveness of the internal control systems, among other activities (section 20 of Article 35 and section 3 of Article 49 of the Company Bylaws).	10/4/2001	3/31/2015
CELSIA S.A. E.S.P.	27.3. The Company applies and demands the principle of selfcontrol understood as the "capacity of people	YES	Management and internal control processes are formulated based on the PDCA methodology (Plan, Do, Check, Act), and as part of the Verify process,	12/15/2009	

	that participate in the different processes of considering control as an inherent part of their responsibilities, fields of action, and decisionmaking.”		the departments have functions and develop activities that allow selfcontrol.		
CELSIA S.A. E.S.P.	28.1. The Company’s culture, philosophy and risk policy are communicated across the company, as are the approved risk exposure limits, so that the entire organization considers control risks and activities in its endeavors.	YES	The Risk Management Manual and policy were disseminated to all Company departments. In addition, the policy is published on the website and is available to all employees and stakeholders. The Company has primary groups comprised of employees from every department (at directors and managers level), whose leaders report to senior management members (Chief Officers) who are part of the Steering Committee, which is accountable through the Company CEO and eventually, directly to the Board of Directors. These groups disseminate strategic issues, which include risk management, and the role of every responsible party in the scheme.	12/15/2009  Risk Management Policy: 2014  Risk Management manual: 2011	5/23/2017
CELSIA S.A. E.S.P.	28.2. In the Company, there is a bottom-up reporting mechanism (up to the Board of Directors and Senior	YES	Celsia has primary groups comprised of employees from every department (at directors and managers level), whose leaders report to senior management members (Chief Officers) who are part of the Steering	12/15/2014	

	Management) that is accurate, understandable and complete, supporting and enabling informed decision-making and risk and control management.		Committee, which is accountable through the Company CEO to the Board of Directors.		
CELSIA S.A. E.S.P.	28.3. The Company's communication and information report mechanism allows: i. the Senior Management to include the entire Company highlighting their responsibility in risk management and definition of controls, and ii. The Company personnel to understand their role in managing risks and identifying controls, as well as their individual contribution regarding the work of others.	YES	Celsia has primary groups comprised of employees from every department (at directors and managers level), whose leaders report to senior management members (Chief Officers) who are part of the Steering Committee, which is accountable through the Company CEO and eventually, directly to the Board of Directors. These groups disseminate strategic issues, which include risk management, and the role of every responsible party in the scheme.	11/29/2005	12/15/2014
CELSIA S.A. E.S.P.	28.4. The Company provides internal anonymous reporting lines or whistleblowers that allow employees to anonymously report illegal or unethical behavior, or anything that can get in the way of the Company's risk	YES	The Company has a transparency hotline (telephone and email) which can be used to report improper acts or violations to the policies established in the Code of Business Conduct (anonymously if desired). This hotline is managed by a third party. The Auditor will	12/15/2009	12/15/2015



	management and control culture. A list of these reports is submitted to the Company's Board of Directors.		periodically provide a report to the Audit, Finance and Risk Committee on significant issues reported through the hotline, to define any guidelines that may be necessary in the event the issues have not been resolved by the Business Conduct Committee.		
CELSIA S.A. E.S.P.	29.1. In the Company, the Board of Directors is responsible through the Audit Committee to monitor the effectiveness of various Control Architecture components.	YES	Section 2.16.1 of the Company's Corporate Governance Code stipulates the functions of the Audit, Finance and Risk Committee, the majority of which are related to the monitoring of Control Architecture components. Noteworthy in the aforementioned functions is 2.16.1.14 Propose Internal Control System Structure to the Board of Directors and Monitor It, and 2.16.15 Review and Assess Risk Management and Propose Necessary Improvements, always aiming for the configuration of a risk profile in accordance with the Company's strategic objectives. Pursuant to this, the Board of Directors, through the Audit, Finance and Risk Committee, is responsible for ensuring that the Company has a solid control environment. This Committee dealt with issues such as risk management, assessment of controls through the internal audit	11/29/2005	12/15/2015

			department and reliability of financial operations (Financial Statements).		
CELSIA S.A. E.S.P.	29.2. In the Company, monitoring tasks intended for ensuring the effectiveness of the Control Architecture primarily involve internal auditing in collaboration with the Statutory Auditor, in matters inherent to their competency, and particularly, regarding financial information generated by the Company.	YES	Internal Audit functions include assessing the Control Architecture. One important function is to review the control environment structure, design and operation of control activities, existence and operation of the risk management system, and compliance with measures for adequate information and disclosure. Sensitive and relevant transactions are also monitored. In its annual reports, the Statutory Auditor also describes internal control activities carried out.	12/15/2015	
CELSIA S.A. E.S.P.	29.3. The Company's internal audit function has an Internal Audit Charter approved by the Audit Committee which expressly describes the scope of its functions in this matter, which should encompass the topics indicated in recommendation 29.3.	NO	The Company has an internal audit charter that complies with the parameters of recommendation 29.3., which will be submitted to the Audit, Finance and Risk Committee for approval.		
CELSIA S.A. E.S.P.	29.4. The internal audit department manager works independently from the Senior	YES	The internal audit department manager's work depends on the Audit, Finance and Risk Committee. Among this	10/29/2013	12/15/2015

	Management at the Company or Conglomerate that contracted it but his duties depend solely on the Audit Committee.		body's functions are supervising internal audit services, appointing a candidate for internal auditor to the Board of Directors, re-electing and dismissing the internal audit department manager to the Board of Directors, and analyzing and approving the internal auditor's annual work plan. These functions are stipulated in the Company Bylaws (Article 49) and in the Company's Corporate Governance Code (section 2.16.2 of Chapter III).		
CELSIA S.A. E.S.P.	29.5. In the Company, the Board of Directors is responsible for appointing and dismissing the internal audit department manager, at the suggestion of the Audit Committee; their dismissal or resignation shall be notified to the market.	YES	The Audit, Finance and Risk Committee has functions that include recommending the appointment, re-election and dismissal of the internal audit department manager to the Board of Directors. These functions are stipulated in the Company Bylaws and the Company's Corporate Governance Code (section 2.16.2 of Chapter III).	10/29/2013	12/15/2015
CELSIA S.A. E.S.P.	29.6. The Statutory Auditor at the Company or Conglomerate works independently from the group, and declares said independence in the corresponding audit report.	YES	The Corporate Governance Code enshrines criteria to be observed when choosing the Statutory Auditor (section 3 of Chapter V). These criteria stipulate that the Company shall not appoint as Statutory Auditor any person or firm having received income from the entity and/or its holding	6/25/2008	

			<p>company amounting to twenty-five percent (25%) or more of its recent yearly income.</p> <p>The Statutory Auditor elected in the assessed period did not receive income from the entity or from its economic associates totaling twentyfive percent (25%) or more of its recent yearly income.</p>		
<p>CELSIA S.A. E.S.P.</p>	<p>29.7. If the Company acts as Parent Company of a Conglomerate, the Statutory Auditor remains the same for all companies, including any offshore companies.</p>	<p>N/A</p>	<p>Celsia is part of Grupo Empresarial Argos, whose parent company is Grupo Argos S.A.</p>		
<p>CELSIA S.A. E.S.P.</p>	<p>29.8. The Company has a policy to appoint the Statutory Auditor, approved by the Board of Directors and disclosed to all Shareholders. Said policy includes the provisions set forth in recommendation 29.8.</p>	<p>YES</p>	<p>The policy to designate the Statutory Auditor has all the provisions defined in recommendation 29.8., and is contained in the Corporate Governance Code (section 3 of Chapter V) which was approved by the Board of Directors. The Corporate Governance Code was disclosed to the market by means of the Financial Superintendence of Colombia's relevant information mechanism, and it is published on the Company's website. Every time it is amended, the code is handed directly over to the shareholders at their General Meeting of Shareholders.</p>	<p>6/25/2008</p>	<p>12/15/2015</p>

<p>CELSIA S.A. E.S.P.</p>	<p>29.9. In order to avoid excessive relations between the Company and the Statutory Audit firm and/or its teams and to maintain its independence, the Company has established a maximum contract period which ranges between five (5) and ten (10) years. In the case of the Statutory Auditor, for an individual not connected to a firm the maximum contract period is five (5) years.</p>	<p>YES</p>	<p>The Corporate Governance Code (section 3 of Chapter V) stipulates that in the event of successive reelections, the total maximum duration of the contractual relation shall be ten (10) years. Statutory Auditors may hold that position again in the Company after at least two (2) years from leaving their position. The same periods shall also apply when the Statutory Auditor is an individual. At present, the Company's Statutory Auditor is a legal entity.</p>	<p>12/23/2015</p>	
<p>CELSIA S.A. E.S.P.</p>	<p>29.10. As part of the maximum contract period, the Company promotes rotation of the Statutory Auditor assigned to the Company and its work teams after half of the period. At the end of said period, it is required to rotate the firm as well.</p>	<p>YES</p>	<p>The Corporate Governance Code (section 3 of Chapter V) stipulates that in the event the Statutory Auditor is a firm, it must rotate individuals that perform that function in the Company at least every five (5) years. In addition, it specifies that the person who has rotated must wait two (2) years to hold said position within the Company again. In the event of successive Statutory Auditor reelections, the total maximum duration of the contractual relation shall be ten (10) years. Statutory Auditors may hold that position again in the Company after at least two</p>	<p>6/25/2008</p>	<p>12/15/2015</p>

			(2) years from leaving the position.		
CELSIA S.A. E.S.P.	29.11. In addition to the existing ban on hiring Statutory Auditing professional services, other than the Company's financial auditor, and other functions contemplated in current regulations, the Company extends this limitation to individuals or entities related to the Statutory Audit firm. Entities include companies in its own group as well as companies with a large number of partners and/or managers in common with those of the Statutory Audit firm.	YES	Pursuant to the Corporate Governance Code (section 3 of Chapter V), neither the Company nor its subsidiaries may enter into contracts with the Statutory Auditor other than financial audit contracts during the respective period. Furthermore, Celsia does not enter into service provision contracts with companies that are part of the group to which the Statutory Audit firm belongs.	6/25/2008	
CELSIA S.A. E.S.P.	29.12. In its public notice, the Company discloses the total amount of the contract with the Statutory Auditor as well as the proportion of the professional fees paid by the Company out of the firm's total revenue for its	YES	The Company discloses the Statutory Auditor's professional fees on its website, which do not exceed 25% of the total auditing firm's revenue.	10/20/2013	

	Statutory Audit.				
CELSIA S.A. E.S.P.	30.1. The Board of Directors has approved a policy of information disclosure which identifies, at least, the information described in the recommendation	YES	The Company's Corporate Governance Code (Chapter IV) which was approved by the Board of Directors, stipulates the policies of information disclosure which seek to ensure transparency, fluency and integrity of information, and to define the topics, mechanisms and channels for its disclosure, among other issues.	6/25/2008	12/15/2015
CELSIA S.A. E.S.P.	30.2. In the case of Conglomerates, disclosure of information to third parties regarding the group of companies, is comprehensive and complete, thus allowing external entities to form an opinion based on the Conglomerate's actual situation, organization, complexity, activity, size and governance model.	YES	The Company discloses information of interest to shareholders and the overall market through its website, or by publishing it as Relevant Information. As part of this disclosed information, Celsia reports that it is part of Grupo Empresarial Argos, whose parent company has a website with information pertaining to the group's structure, organization, activities conducted by its companies, and other issues. Similarly, the Company published its relations policy with the parent company and other companies of the business group on its website.	10/20/2013	6/21/2016
CELSIA S.A. E.S.P.	31.1. In the event the Statutory Auditor's report contains reservations, the Chair of the Audit Committee shall	YES	The Statutory Auditor's report, with or without reservations, is part of the documents to be submitted to the General Meeting of Shareholders for consideration, and prior to the Meeting it is available	3/31/2006	

	make a statement on them and on the actions the Company intends to perform to resolve them to the General Meeting of Shareholders.		for consultation. This report is read by the Auditor at the General Meeting of Shareholders. During the assessed period, there were no reservations on the Statutory Auditor's report presented to the general Meeting of Shareholders. The report is published on the Company's website.		
CELSIA S.A. E.S.P. CELSIA S.A. E.S.P.	31.2. When the Board of Directors addresses the reservations and/or paragraphs emphasizing matters submitted by the Statutory Auditor, and believes that it must abide by them, this position is adequately explained and justified in writing to the General Meeting of Shareholders, specifying the content and scope of the inconsistency.	YES	During the assessed period, there were no reservations on the Statutory Auditor's report presented to the general Meeting of Shareholders. The report is published on the Company's website.	3/31/2006	
CELSIA S.A. E.S.P.	31.3 Transactions with or among Related Parties, including transactions between Conglomerate companies, which due to objective parameters like volume of the	YES	These transactions are reported in the annual results reports presented at the General Meeting of Shareholders, which are published on the Company website and sent to the Financial Superintendence of Colombia. Similarly, at the Meeting, shareholders were provided with the	11/27/2012	



	transaction, percentage of assets, sales or other indicators are considered significant by the Company, are listed in detail in the public financial information, as well as mentioned for off-shore operations.		business group's report, which is described in Article 29 of Law 222 of 1995.		
CELSIA S.A. E.S.P.	32.1. In the framework of the policy of information disclosure, the Board of Directors or the Audit Committee shall adopt any measures needed to guarantee that all financial and non-financial information about the Company is transmitted to financial and capital markets, as required by current legislation, in addition to any information deemed relevant for investors and clients.	YES	The Company' Corporate Governance Code has a chapter dedicated to define measures aimed at ensuring transparency, fluency and integrity of the information (Chapter IV). Said chapter defines the information to be published, how to access it, and other matters.	6/25/2008	12/23/2015
CELSIA S.A. E.S.P.	32.2. The Company's website was designed to be user-friendly, providing users easy access to information	YES	The Company has a website in Spanish and English where shareholders and the general public can easily and quickly find information of interest to them, including information on corporate governance.	6/25/2008	12/15/2013

	pertaining to Corporate Governance.				
CELSIA S.A. E.S.P.	32.3. The Company's website includes, at least, links explaining recommendation 32.3.	YES	Celsia has a website in English and Spanish that provides general information about the Company, its businesses, actions, corporate governance, sustainability model, company structure, policies and codes, governance structure, Fundación Celsia, financial reports notices, news about its operations, good practices, shareholder structure, and other issues. The website is: <a href="http://www.celsia.com">www.celsia.com</a>	6/25/2008	12/15/2013
CELSIA S.A. E.S.P.	32.4. All supporting documentation used by the Company to disclose information to the markets can be downloaded, printed and shared.	YES	Celsia publishes documents to disclose information to shareholders and the overall market on its website or as relevant information on PDF format. The files may be printed, downloaded and shared. Furthermore and as part of its communications strategy, the Company publishes information on social media when deemed pertinent and relevant for its stakeholders. This information may be shared over these channels.	10/4/2001	12/31/2013
CELSIA S.A. E.S.P.	32.5. When a Company is of great size and complexity, it publishes a detailed annual report on its website, explaining	YES	The report on procedures, methods and other matters pertaining to internal control and risk management are part of the Annual Report provided to Company shareholders at	3/29/2016	

	<p>the organization, methods and procedures of its Control Architecture, with the aim of providing accurate and secure financial and nonfinancial information, while safeguarding the organization's assets and the efficiency and safety of its transactions. Information on the Control Architecture is complemented with a risk management report.</p>		<p>the General Meeting of Shareholders. This report is published on Celsia's website.</p>		
<p>CELSIA S.A. E.S.P.</p>	<p>33.1. The Company prepares an annual Corporate Governance Report. The Board of Directors is responsible for its content upon receiving a favorable assessment and report from the Audit Committee, which is presented along with the rest of the end-of-year documents.</p>	<p>YES</p>	<p>In 2017, the second corporate governance report was prepared separately from the annual report and management report, which was provided to the shareholders at the ordinary meeting.</p>	<p>3/29/2016</p>	
<p>CELSIA S.A. E.S.P.</p>	<p>33.2. The Company's Annual Corporate Governance</p>	<p>YES</p>	<p>In 2017, the second corporate governance report was prepared separately from the annual report and management report, which</p>	<p>3/22/2011</p>	<p>3/24/2015</p>

	<p>Report is not a mere transcription of the Corporate Governance regulations included in the Company Bylaws, Rules of Procedure, Code of Corporate Governance and other company documents. It is not intended to describe the Company's governance model, but to explain the reality of its operations and relevant changes during the period.</p>		<p>was provided to the shareholders at the ordinary meeting. This report contains the most significant changes presented during the assessed period.</p>		
<p>CELSIA S.A. E.S.P.</p>	<p>33.3. The Company's Annual Corporate Governance Report contains end-of-year information that describes how throughout the year the Corporate Governance recommendations adopted by the Company were met, and the main changes that resulted thereof. The Company's Annual Corporate Governance Report is structured in line with the scheme described in</p>	<p>YES</p>	<p>In 2017, the second corporate governance report was prepared separately from the annual report and management report, which was provided to the shareholders at the ordinary meeting. The Company's Annual Corporate Governance Report is structured in line with the scheme described in recommendation 33.3. Similarly, the Annual Report published on Celsia's website, which is presented to the shareholders at the ordinary Meeting contains a chapter dedicated for corporate governance issues which includes, among other things, progress made over the year on this topic, and</p>	<p>3/29/2016</p>	

	recommendation 33.3.		the management report approved by the Board of Directors, which also addresses corporate governance issues.		
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