



BYLAWS

CHAPTER ONE NAME, DOMICILE, TERM, CORPORATE PURPOSE

ARTICLE 1. Corporate Name. The Company shall be a Colombian stock-held corporation, and shall be named “GRUPO BOLÍVAR S.A.”

ARTICLE 2. Domicile. The Company’s main domicile shall be in the city of Bogotá, D.C. Republic of Colombia and may establish branch offices and agencies inside or outside the Colombian territory as required for the development of its business and as authorized by the Board of Directors.

ARTICLE 3. Term. The Company shall have a term of one hundred (100) years computed as from the date of the deed of incorporation. Such term may be extended or shortened in accordance with the decision made by the General Assembly of Shareholders adopted in such form and quorum provided herein.

ARTICLE 4. Corporate Purpose. The purpose of the Company shall be: a) the investment of its funds or availabilities in real or personal property, which shall have the nature of fixed assets, with profitable and valuation purposes and namely, the creation, management and handling of a portfolio of proper investments, made up by shares, corporate quotas and interests in national and foreign companies; participation or investment securities, bonds issued by public or private entities, and other securities bearing a credit or sharing content for free negotiation in the market, bonds and other debentures; trademarks, patents and other forms of industrial property; b) the contracting and conduction of analysis by its own account or on account of third parties and advising for the assessment of existing companies, feasibility economic analyses for the creation of new businesses and/or companies in the promotion thereof, as well as advise on management and handling of companies, including systems and processes and in general all activities proper to modern business management; the incorporation of new companies; c) entering into existing companies as associate or participation in consortia or joint ventures; for due performance of the corporate purpose mentioned above, the Company may acquire, encumber, limit, lease or rent and in general economically exploit any sort of businesses; it may convey its assets for necessity, convenience or profitability reasons; it may borrow money and occasionally lend; it may enter into financial operations enabling it to acquire funds or other assets required for the conduction of its proper operations; it may participate as promoter or investor in the incorporation of national and/or foreign companies and contribute therein with money, in-kind or services; it may enter into any sort of operations by its own account with securities, either they are negotiable inside or outside the exchange market; it may import, export or enter into technology transfer agreements. In general, it may enter into any sort of acts, operations or contracts directly related with such activities and encompassing the corporate purpose or purported to exercise the rights and perform the legal obligations or those conventionally arising upon the existence and the activities developed by the Company and it may execute or enter into in any place whatsoever, either on its behalf or on behalf of third parties or jointly with them, any acts and contracts directly or indirectly related with the purposes of the Company or that might favor or develop its activities or the activities in such companies where it holds interests, or that might give rise to any advantage, with the sole limitation of being comprised within the scope of action of its corporate purpose in Colombia or abroad.

The Company may also grant donations pursuant to the general or specific guidelines issued by the Board of Directors for such effect, as well as securing obligations of its controlled companies, in the terms of the Code of Commerce. Any guarantees being granted in favor of its controlled companies may not exceed in aggregate 25% of the net worth of the Company.

**CHAPTER TWO
CAPITAL STOCK, SHARES, SHAREHOLDERS**

ARTICLE 5. Capital Stock. The capital stock of the Company is the amount of TEN BILLION THREE HUNDRED EIGHTY ONE MILLION EIGHT HUNDRED THOUSAND PESOS (\$ 10,381,800.000.00) legal tender, divided into ONE HUNDRED TEN MILLION (110,000,000) shares bearing a par value of NINETY FOUR PESOS WITH THIRTY EIGHT CENTS (\$94.38) each. Non-issued shares shall be kept as treasury shares to be disposed at discretion of the Board of Directors which may offer them for subscription at such time, for such amounts and under such conditions set out by the Board.

ARTICLE 6. Capital Increases – Preemptive Right. The capital stock may be increased by the issuance of new registered shares, which may be common, privileged or bear any advantage and/or preferential dividend and without voting right.. In any case, the shareholders of common shares shall have a preemptive right to subscribe any new issuance of shares for an amount in proportion to those held by them at the date of approval by the Board of Directors of the corresponding rules, containing the legal requirements and which shall be informed to the shareholders pursuant to the legal provisions. In turn, holders of privileged shares as well as the holders of shares with preferential dividend and without voting right shall not have a preemptive right to subscribe in the issue of shares of any kind.

ARTICLE 7. Shares. The Company's shares are registered shares and may be common, privileged or bear any advantage and/or preferential dividend and without voting right. Shares may be either represented in paper certificates and/or dematerialized as ordered by the General Assembly of Shareholders. Unless otherwise expressly provided, capital stock shall be deemed comprising common shares and provide the holder with all rights set forth by law for such kind of shares. The corresponding issue or conversion rules must express the kind of shares being issued or converted, as the case may be, and the rights conferred upon in the case of privileged shares and/or shares with preferential dividend and without voting right.

ARTICLE 8. Shareholder's Address. All shareholders must register their address or their representatives' or proxy's address with the Company for sending them any relevant communications or notices. Any communications or notices sent by the Company to a shareholder to the registered address through certified mail or any other means enabling acknowledgement of receipt, shall be deemed received by such shareholder. Likewise, the publication of any communication or notice made by the Company in a widely-distributed newspaper at the Company's main domicile shall suffice to understand that the communication or notice has been sent.

ARTICLE 9. Book of Shareholders. A special book called "Shareholders' Registry" shall be held at the General Secretariat of the Company, which shall contain the names of the holders of shares along with the number and kind of shares corresponding to each shareholder, the subsequent transfers, the conversion between kinds of shares, the pledge rights constituted thereupon, the attachment orders received in connection therewith, the limitations constituted on their ownership and other attestations and instructions concerning the respective certificate. The Company shall recognize only as owner of shares to those registered in this book and only for the number of shares and under the conditions provided therein. The Company may delegate the holding of the Shareholders' Registry book to a Central Securities Depository.

ARTICLE 10. Shareholders' Representatives. Shareholders may be represented before the Company for any effect in such cases they desire to act in such condition. The proxies may be attested by any means having legal validity, addressed to the President or the General Secretary of the Company, indicating the name of the representative, the business or act they are intervening and the extension of the mandate. They may be also represented by their general proxies; incapable individuals shall act through



their legal representatives. No shareholder may be represented by more than one individual at the meetings of the General Assembly of Shareholders. The proxies for a representation within an Assembly shall be understood to cover the different sessions held for such meeting.

ARTICLE 11. Indivisibility of Shares. Shares are indivisible regarding the Company. In case of shares held in community, the co-owners shall be obliged to designate an individual to represent them before the Company.

ARTICLE 12. Conveyance of Shares. The Company's shares may be freely transferred with the legal limitations and shall be perfected upon the mere agreement of parties. To produce effects vis-à-vis the Company and third parties and in order for the delivery to take place, the registration shall be required. Such delivery shall be carried out in the "Shareholders' Registry" book, through the letter of transfer addressed by the assignor to the President of the Company, indicating the number of shares transferred, the title of conveyance and the name of the assignee. The receipt of the transfer letter shall give rise to the cancellation of the assignor's registration and the inscription of the new assignee in the subject book. Cancellation of titles issued to assignor shall be necessary for the new inscription and the issuance of the title to the assignee. The Company may refuse to make the registration upon receipt of an order in such sense from competent authority.

ARTICLE 13. Rights of Pledgee. Shares delivered under pledge shall not confer to the pledgee any rights inherent to the condition of shareholder, except for express provision in this regard. The document attesting to the relevant covenant shall be sufficient to exercise the rights conferred to the creditor before the Company.

ARTICLE 14. Lost, Stolen, Destroyed or Damaged Share Certificates. In case of lost, stolen, destroyed or damaged share certificates or like situation thereof, prior evidence of the same by eligible legal mechanisms and the provision of guarantees deemed at satisfaction of the Board of Directors of the Company, if any, the Board may authorize the issuance of a new share certificate, prior registration in the Shareholders' Book.

CHAPTER THREE DIRECTION AND MANAGEMENT

ARTICLE 15. Direction and Management Bodies. The direction and management of the Company corresponds to the General Assembly of Shareholders, the Board of Directors, the President of the Company and other bodies or positions created by the General Assembly of Shareholders, the Board of Directors or the President of the Company. The Company shall be controlled by the Statutory Auditor.

CHAPTER FOUR GENERAL ASSEMBLY OF SHAREHOLDERS

ARTICLE 16. Composition. The General Assembly of Shareholders shall be made-up by the shareholders with such quorum and gathered in such conditions provided herein.

ARTICLE 17. Meetings of the Assembly. The General Assembly may hold regular and special meetings. Regular meetings of the General Assembly of Shareholders shall be held once a year, at the main



domicile of the Company within the first three (3) months each year, at such date and time set out by the Board of Directors. In absence of a call, the Assembly shall be entitled to gather on the first business day of April at 10:00 a.m. at the main domicile where the Company's management is operating. Special meetings shall be held upon summon from the Board of Directors, the Legal Representative, the Statutory Auditor, as they deem convenient, by order from the Banking Superintendent or by direct call from the same. The meetings of the General Assembly of Shareholders may be held without physical assistance in the terms provided by law.

ARTICLE 18. Call. Regular meetings shall be called with at least fifteen (15) business days in advance, by communication to each shareholder sent to the last registered address, or by notice published in a widely-distributed newspaper from the main domicile of the Company in such terms provided by the Board of Directors. Special meetings of the Assembly shall be called with five (5) common days in advance and the call or notice shall include the agenda of the meeting.

Paragraph. Inclusion of topics in the agenda of the Meeting. Such shareholders individually considered, holding five percent (5%) or more of the capital stock shall be entitled to propose the inclusion of one or more topics for discussion in the Agenda of the General Assembly of Shareholders. Also, and no later than five (5) business days before the date of the corresponding Meeting, shareholders may submit written requests concerning the matters comprised in the Agenda, without prejudice to the corresponding inspection right.

For such effect, the Company shall establish a procedure in the Operating Rules of the General Assembly of Shareholders.

ARTICLE 19. Quorum. A plural number of shareholders representing at least absolute majority of the subscribed and paid-in shares shall be sufficient quorum to deliberate unless the law or the bylaws require a special majority for specific acts, in which case such majority shall be required. The quorum representing absolute majority of represented shares in the meeting shall be sufficient majority to decide, unless the law or these bylaws require a superior majority, in which case such majority shall be required, as mentioned below.

Paragraph. The Assembly may adopt decisions through written communications, wherein all shareholders express their vote.

ARTICLE 20. Special Majority. The resolutions of the General Assembly of Shareholders concerning the placement of shares without being subject to the preferential right, the profit distribution as well as the payment of dividends in shares, shall require a favorable vote of 78% of the shares represented in the meeting. **Paragraph First:** In case the majority for profit distribution is not reached, it shall be required to distribute at least 50% of the liquid profits or the balance if it is necessary to cover any losses from former periods. **Paragraph Second:** Regarding dividends in shares, if the majority mentioned above is not reached, then shares may be delivered only to such shareholders accepting thereto. **Paragraph Third:** If a control situation takes place as provided in Law, then the dividend in shares may be paid only to those shareholders accepting thereto.

ARTICLE 21. Majorities for Corporate Reorganization. The decisions made by the General Assembly of Shareholders concerning amendment to bylaws, merger, demerger, transformation or early winding up of the Company shall require the favorable vote of 70% of the shares represented in the meeting.

ARTICLE 22. Majorities for other Decisions. For decisions concerning matters other than those mentioned in the preceding articles or other issues provided in Law for which special majority is required, the favorable vote of the absolute majority of shareholders assisting to the meeting shall suffice.



ARTICLE 23. Binding Effect of Decisions. The decisions from the General Assembly of Shareholders made in conformity with the bylaws and the Law shall be binding to all shareholders, even those absent or dissident.

ARTICLE 24. Lack of quorum in the Assembly. If an Assembly is called and it is not held due to a lack of quorum, a new meeting shall be called which shall be held and may validly decide with a plural number of shareholders whichever the amount of shareholders is represented. The new meeting must be held not before ten (10) or after thirty (30) business days computed as from the date set for the first meeting.

ARTICLE 25. Chairman. The meetings of the General Assembly of Shareholders shall be chaired by the Chairman of the Board of Directors, or whoever takes his place and in failure thereof by any of the directors present in alphabetical order of their last names. In failure of the above, by the person elected by the Assembly itself.

ARTICLE 26. Minutes. Any meeting of the General Assembly of Shareholders shall be recorded in minutes signed by the Chairman of the meeting and the Secretary thereof.

ARTICLE 27. Functions of the General Assembly of Shareholders. The following are the functions of the General Assembly of Shareholders:

- a) Issue its own rules.
- b) Amend the bylaws in accordance with legal requirements.
- c) Decree the merger, transformation or demerger of the Company.
- d) Elect the Directors and fix their remuneration.
- e) Elect for the corresponding periods, the Statutory Auditor with his respective alternate, accept his resignation as the case may be and fix his remuneration.
- f) Approve the general remuneration and succession policy for the Board of Directors.
- g) At each year-end examine, approve or disapprove the inventory, the balance sheet, the statements and the reports submitted by the Manager and the Board of Directors concerning the progress of the Company, as well as the project for profit distribution submitted by the Board of Directors.
- h) Fix the amounts of profits to be used for the payment of dividends, prior increase of the legal reserve, if any, and the constitution or increase of other reserves decreed by the Assembly for the good course of businesses.
- i) Decree the early winding up of the Company, as well as the extension of the term thereof.
- j) Make any sovereign decisions as supreme authority on all Company's businesses.
- k) Exercise as supreme authority of the Company any other functions not assigned herein to other bodies or individuals.

CHAPTER FIVE BOARD OF DIRECTORS

ARTICLE 28. Composition of the Board of Directors. The Board of Directors shall be made-up by seven (7) principal members, elected by the General Assembly of Shareholders. Unless otherwise provided by the General Assembly of Shareholders, the Board members shall be elected for two-year periods, which shall correspond to the election period of the Statutory Auditor.

ARTICLE 29. Election of the Board of Directors Members. The members of the Board of Directors shall be elected by the electoral quotient system or by such provided by Law.

ARTICLE 30. Chairman of the Board of Directors. The Chairman of the Board of Directors shall be elected amongst them as well as one or various Vice-presidents replacing them in their absolute, temporary or accidental absences.

ARTICLE 31. Duties of the Chairman. The Chairman shall have the following duties:

- a) Ensure that the Board sets and efficiently implements the strategic direction of the Company.
- b) Promote the governance action of the Company, acting as a liaison between the shareholders and the Board.
- c) Make the call for meetings, either directly or through the Secretary of the Board.
- d) Ensure delivery in a timely and formal manner, of information to the Board Members, either directly or through the Secretary of the Board.
- e) Chair the meetings of the Board of Directors and handle the discussions.
- f) Chair the meetings of the General Assembly of Shareholders.
- g) Ensure the implementation of the resolutions of the Board of Directors and monitor the implementation of their orders and decisions.
- h) Monitor the active participation of the Board members.
- i) Lead the process of annual assessment of the Board and Committees, except for his/her own assessment.

ARTICLE 32. Meetings of the Board of Directors. The Board of Directors shall hold regular meetings at least once a month. They shall also hold special meetings when called by the Chairman of the Board, by three of its members or by the President of the Company or the Statutory Auditor.

Paragraph. Non-face meetings may be held if the Directors may deliberate through any means and decide by simultaneous or successive communication provided it may be proven.

ARTICLE 33. Quorum. The assistance and the vote of the majority of members of the Board shall be sufficient quorum to deliberate and decide.

Paragraph. The Board of Directors may adopt decisions through written communications whereby all its members give their vote in this regard.

ARTICLE 34. Secretary of the Board. The Legal Vice-President – General Secretary of the Company shall be the Secretary of the Board of Directors, safeguarding his/her independence from the President of the Company; thus, his/her appointment and removal corresponds to the Board at proposal of the President of the Company, with prior report from the Support Committee to which the Board entrusts such duty. The Secretary of the Board shall not be a member thereof.

Paragraph. Minutes. Any meeting of the Board of Directors shall be recorded in minutes signed by the Chairman and Secretary of the meeting, which once approved shall attest to that agreed therein.

ARTICLE 35. Functions of the Board of Directors. The following are non-transferable functions of the Board of Directors:

- a) Issue its own rules.
- b) Elect the Chairman and the Vice-Chairmen from the Board itself.
- c) Elect the President of the Company for one-year periods and his/her alternates and fix their remuneration. In case the Board of Directors does not make a decision in this regard, they shall be elected for like periods.



- d) Approve the appointment of the Company's Vic-presidents and Secretary General, approve their duties and fix their remuneration.
- e) Advise the Company's President so that he/she may find the most proper solutions in the activities for the good performance of the Company.
- f) Fix the general policies to be followed by the management for the good course of the Company and the compliance with its objectives.
- g) Determine the policy governing for the best investment of the corporate funds.
- h) Authorize the President of the Company to grant loans, convey or encumber the Corporate goods. These authorizations may be granted on a special or general basis.
- i) Call through the Secretary General to meetings of the General Assembly of Shareholders.
- j) Submit to the General Assembly of Shareholders through the Company's President the Performance Report and the project for profit distribution corresponding to the respective corporate period.
- k) Approve the rules for placement of shares.
- l) Authorize the encumbrance of goods required as securities for loan agreements.
- m) Approval and periodic monitoring of the strategic plan, business plan, management targets and annual budgets of the Company.
- n) Definition of the Company's structure.
- o) Approval of guidelines or financial and investment policies of the Company.
- p) Approval of the remuneration and assessment policy of the Senior Management, which may be carried out either by the full Board of Directors or through any of its Support Committees.
- q) Approval of investments, divestments and strategic indebtedness.
- r) Approval of the policy and practices of Corporate Governance, in the understanding that they will be binding for the directors and officers of the Company.
- s) Approval of the Annual Corporate Governance Report.
- t) Approval of the information and communication policy with different types of shareholders, markets, stakeholders and the general public.
- u) Approval of the risk policy and knowledge and periodic monitoring of the main risks of the Company.
- v) Approval, implementation and monitoring of adequate internal control systems, including operations with off-shore companies, to be made in accordance with procedures, risk control and alarm systems approved by the same Board, which may be performed either by the full Board or through any of its Support Committees.
- w) Approval of succession policies for Senior Management.
- x) Proposal on succession policies for the Board of Directors to be approved by the General Assembly of Shareholders.
- y) In general, approval and, where appropriate, proposal to the General Assembly of other policies that the Company deems necessary.
- z) Evaluation and removal of the President of the Company.
- aa) Appointment, as proposed by the President of the Company, of Senior Management members and, in some cases, their dismissal.
- bb) Approval of remuneration systems for Senior Management members as well as their compensation clauses, if any, which approval may be carried out by either the full Board or through any of its Support Committees.
- cc) Creation of the Board Committees, and adoption of internal rules of operation of such Committees.
- dd) Proposal to the General Assembly of Shareholders of the remuneration policy of the Board of Directors.
- ee) Proposal to the General Assembly of the policy on share buybacks.
- ff) Proposal to the General Assembly for hiring the Statutory Auditor, after analyzing his experience and availability of time and human and technical resources to develop the work.



- gg) Creation or acquisition of interests in special purpose entities or domiciled in countries or territories considered tax havens, as well as other transactions or operations of a similar nature which complexity could jeopardize the transparency of the Company.
- hh) Knowledge and management of conflicts of interest between the Company and shareholders, members of the Board and Senior Management.
- ii) Knowledge and, if any material impact, approval of the transactions that the Company carries out with controlling or significant shareholders, defined according to the Company's ownership structure, or represented on the Board of Directors, with members of the Board and other Directors or with people related thereto (Related Party Transactions), as well as group companies to which it belongs.
- jj) Organize the annual assessment process of the Board, both as a collegiate management body as well as its members as individuals, in accordance with generally accepted self-assessment or evaluation methodologies that may consider involving external consultants.
- kk) Act as liaison between the Company and its shareholders, creating suitable mechanisms to provide accurate and timely information on the progress of Grupo Bolívar S.A..
- ll) Monitoring on the integrity and reliability of accounting and internal information systems based, among others, on reports from internal audit and legal representatives, which monitoring may be carried out either by the full Board or through any of its Support Committees.
- mm) Supervision of the financial information provided by the Company as issuer and under the information and communication policies of the Company to be periodically disclosed to the public, which supervision may be carried out either by the full Board or through any of its Support Committees.
- nn) Monitoring of the independence and efficiency of the internal audit performance, which monitoring may be carried out either by the full Board or through any of its Support Committees.
- oo) Monitoring of the efficiency of Corporate Governance practices implemented and the level of compliance with ethical and conduct standards adopted by the Company, which monitoring may be carried out either by the full Board or any of its Support Committees.
- pp) Periodic checks on the performance of the Company and the ordinary course of business.
- qq) Ensuring that the process of proposal and election of members of the Board is carried out in accordance with the formal requirements set by the Company.
- rr) In general and without prejudice to the functions corresponding to the General Assembly of Shareholders, the Board of Directors shall have the functions proper and necessary for the accomplishment of the corporate businesses and the achievement of its goals.

CHAPTER SIX AUDIT COMMITTEE, PRESIDENT. LEGAL REPRESENTATION

ARTICLE 36. Audit Committee. The Company shall have an Audit Committee composed by at least three members from the Board of Directors, which shall include all independent members.

The Committee shall be chaired by an independent member.

The Committee members must have such expertise to duly comply with their functions.

The committee shall include the assistance of the Statutory Auditor who may speak without vote at the meetings.

The functions of the Audit Committee include the consideration of the financial statements of the Company before submission to the board and the General Assembly of Shareholders.



The Committee should hold meetings at least each three months and their decisions shall be recorded in minutes as provided in the regulations in this regard.

ARTICLE 37. President and alternates. The Company shall have a President and five (5) alternates, first, second, third, fourth and fifth replacing him/her in such order in his/her absolute, temporary or accidental absences. The third alternate shall represent the Company in all such judicial activities, within judicial proceedings within the country, either as plaintiff or as defendant and the administrative activities before any Entity. They shall be elected by the Board of Directors for one-year periods and may be indefinitely reelected, reelection understood when the Board of Directors does not express to the contrary; likewise, they may be removed at any time the Board of Directors so decides.

ARTICLE 38. Legal Representation. The legal representation of the Company, its direction and management shall be in charge of the President of the Company or its alternates whenever they take his/her place, in accordance with the preceding article and within the bylaws and other rules adopted by the General Assembly and the Board of Directors. Those individuals having any inability or incompatibility provided in law may not serve as managers or directors.

ARTICLE 39. Functions of the President. The President of the Company shall be in charge of:

- a) Representing the Company as a corporate entity.
- b) Performing and causing the performance of all operations encompassed within the corporate purpose, being subject to the bylaws, the resolutions of the General Assembly of Shareholders, the Board of Directors, and the regulations applicable to the Company.
- c) Appointing any agents and attorneys acting under his/her orders and that represent the Company.
- d) Entering into or performing all acts or contracts comprised within the corporate purpose in accordance with his/her powers granted by law, bylaws and those conferred by the General Assembly and the Board of Directors.
- e) Submitting to the Board of Directors within fifteen (15) business days in advance to the next regular meeting of the General Assembly of Shareholders, the balance sheet, the statements, inventory and liquidation of businesses, with a project of profit distribution and a report on the Company's progress.
- f) Appointing or removing all employees and officers of the Company which appointment does not correspond to the Board of Directors or the General Assembly of Shareholders.
- g) Calling the Board of Directors to regular and special meetings and keeping the same updated on the corporate businesses.
- h) Appointing arbitrators and mediators.
- i) Submitting to the Board of Directors the proposition of appointments or removal of branch office managers.
- j) Signing the minutes along with the General Secretary in the case of meetings without personal assistance of the assembly and the Board of Directors, which should be prepared and recorded in the respective book, within 30 days following the date in which the agreement took place.
- k) Making any efforts leading to the proper development of the corporate purpose.
- l) Watching that the performance of the duties entrusted to the statutory auditor are allowed.
- m) Keeping and protecting the Company's trade and industrial secrets.
- n) Abstaining from improperly using privileged information.
- o) Giving an equitable treatment to all shareholders and respect the exercise of their inspection right.
- p) Watching for strict compliance of the provisions set forth by law or the by-laws.
- q) Abstain from participating by himself or through other person under a personal or third-party interest in activities involving competence for the Company or in such acts involving a conflict of



interest, except for express authorization from the General Assembly of Shareholders and see that there are no conflict of interests in decisions made by the Shareholders, Directors, Managers and in general the Company's officers. In any case the authorization from the General Assembly of Shareholders may only be granted when the subject act does not impair the Company's interests.

- r) Exercising other duties assigned or entrusted by the General Assembly of Shareholders or the Board of Directors.

CHAPTER SEVEN STATUTORY AUDITOR

ARTICLE 40. Election of Statutory Auditor. Each two years, the General Assembly of Shareholders in regular meetings shall elect the Statutory Auditor of the Company, as well as the alternate thereof to replace him/her in absolute, temporary or accidental absences; the period of the above shall begin and end on the first day of the month following the Assembly of Shareholders that elected the same.

However, the Assembly may consider and decide on his/her removal and replacement at any time.

The Statutory Auditor or the individual appointed by the firm to act as such, as well as his/her alternate, shall be public certified accountants and shall be subject to such inabilities, prohibitions, incompatibilities and responsibilities provided by the Laws.

ARTICLE 41. Functions of the Statutory Auditor. The Statutory Auditor's duties are: a) Examining all operations, balance sheets, minutes, books, vouchers, correspondence and businesses of the Company; b) Checking the cash counts he deems necessary; c) Verifying the confirmation of all corporate values and those held in custody; d) Checking that the operations performed on behalf of the Company are in accordance with that provided by Law, the bylaws and the General Assembly of Shareholders and the Board of Directors; e) Reporting any irregularities to the body or officer in charge thereof; f) Endorsing the Company's balance sheets attesting that they are a faithful copy of the books and that the operations recorded therein are in accordance with the bylaws, the Law and the decisions from the General Assembly and the Board of Directors; g) Exercising any other powers provided by Law and the General Assembly of Shareholders.

CHAPTER EIGHT BALANCE SHEET, RESERVE, PROFIT DISTRIBUTION

ARTICLE 42. Cut-off for Accounts and Balance Sheet. At the end of each corporate period, on December 31st each year, the Company shall cut-off its accounts and must produce the inventory and balance sheet concerning its businesses.

ARTICLE 43. Submission of Balance Sheet. The balance sheet shall be submitted by the Board of Directors and the Legal Representative to the General Assembly of Shareholders for their analysis, approval or disapproval accompanied by the documents set forth by the Code of Commerce, and endorsed by the Legal Representative and the Statutory Auditor.

ARTICLE 44. Legal Reserve. It shall be made up by ten percent (10%) of the liquid profits of each period, until reaching fifty percent (50%) of the capital subscribed, which obligation shall cease when the reserve



reaches such fifty percent. If the reserve percentage decreases, a new ten percent (10%) of the profits shall be collected until the reserve reaches the limit above.

ARTICLE 45. Occasional Reserves. The General Assembly of shareholders may establish the occasional reserves it deems convenient.

ARTICLE 46. Profit Distribution. The profits approved by the General Assembly of Shareholders, supported by accurate balance sheets, and after deducting the legal and occasional reserves, as the case may be, and the collection for tax payments, shall be distributed amongst the shareholders. Articles 451 to 456 of the Code of Commerce and other provisions amending or complementing the same shall be taken into account for this profit distribution.

CHAPTER NINE DISSOLUTION AND VOLUNTARY LIQUIDATION

ARTICLE 47. Dissolution. The Company shall be dissolved in any of such events provided by Law. If it takes place, it shall proceed as provided for the amendment of bylaws.

ARTICLE 48. Liquidation. Liquidation shall take place according to law, upon dissolution of the Company. The General Assembly of Shareholders shall appoint the liquidator and shall fix his remuneration and other conditions his position should follow. If no liquidator is appointed, the liquidator shall be the President at the time of the dissolution. During the liquidation period, the General Assembly of Shareholders shall keep acting as such with all powers provided by the bylaws and the law, provided they are not incompatible with the liquidation status.

ARTICLE 49. Powers of the Assembly. During the liquidation, the powers of the Assembly shall survive as if the Company existed, with the sole amendments imposed by the liquidation status. This body removes and replaces the liquidator or liquidators, if necessary, approves or disapproves the liquidation accounts and solves independently any other matter arising.

ARTICLE 50. Alternate Mechanisms of Conflict Resolution. Any conflict arising among partners acting as such or between them and the Company or between them and the Company managers under the corporate charter, shall be initially solved at a direct settlement stage and if no arrangement is reached, through an Arbitral Tribunal. For such effects, three arbitrators shall be appointed to form the Arbitral Tribunal, appointed by the chamber of Commerce of Bogotá. The Tribunal shall decide in law according to the legal provisions in effect on this regard and shall be held in the city where the Company has its main domicile.

The Company shall analyze the cases in which alternate mechanisms for conflict resolution are applicable to other Stakeholders.

ARTICLE 51. Extension of Company's term. The Company term shall be deemed to be extended for the purposes of the liquidation while it remains in effect."