

Superintendencia Financiera de Colombia

CÓDIGO PAÍS

2010-2011 Survey

Filed under Number: 53200
 Issuer Name: **TITULARIZADORA COLOMBIANA S.A. HITOS**
 Issuer Tax ID Number: 830089530-6
 Legal Representative: ÓSCAR ANDRÉS EDUARDO GÓMEZ COLMENARES
 Identification Document: 80411309
 Period under Assessment (ddmmyyyy): **31122012**

Entity Code Assigned by the *Superintendencia Financiera de Colombia* SFC: 600 - 1

Legal Nature:

Type of Company Limited by Shares / Dual Economy Company

(*) questions are mandatory

I. GENERAL SHAREHOLDERS MEETING

Question 1 (*)

Question: Regarding the most recent General Shareholders Meeting, was the documentation informing shareholders of the agenda made available to them within notice period and at their principal place of business? (Provision 1) (X) Yes () No

Comments

Question 2 (*)

Question: Does the information available to the shareholders within notice period of the General Shareholders Meeting contain the proposed candidates to members of the Board of Directors? (Provision 2) (X) Yes () No

Comments In 2012, save for Alberto Linares' resignation and Gabriel Nieto Moyano designation, no other Directors were designated.

Question 3 (*)

Assumption: If issuer's related parent company and/or affiliates apply, please answer yes or no, otherwise N/A.

Question: Did the issuer made the issuer's affiliates/parent company financial information available to shareholders? (Provision 2) () Yes () No (X) N/A

Comments

Question 4 (*)

Assumption: If the issuer has a website, please answer yes or no, otherwise N/A.

Question: Were the Notice of the most recent General Shareholders Meeting and any other information required to conduct it published on the issuer's website? (Provision 3) (X) Yes () No () N/A

Comments**Question 5 (*)**

Question: Were the various proposed agenda items presented in a breakdown for the Shareholders Meetings held during the period under assessment? (Provision 4) Yes No

Comments**Shareholders' Meeting****Question 6 (*)**

Assumption: If the glossary terms were segregated, please answer yes or no, otherwise N/A.

Question: Was the segregation approved by the General Shareholders Meeting? (Provision 5)
 Yes No N/A

Comments**Question 7 (*)**

Assumption: If the glossary terms were segregated, please answer yes or no, otherwise N/A.

Question: Was the segregation included in the Notice of the Meeting where it was approved? (Provision 6) Yes No N/A

Comments**Notice of the Meeting****Question 8 (*)**

Assumption: If the issuer's corporate purpose (*objeto social*) was modified, please answer yes or no, otherwise N/A.

Question: Was the *objeto social* modification included in the Notice of the Meeting where it was approved? (Provision 6) Yes No N/A

Comments**Shareholders' Meeting****Question 9 (*)**

Assumption: If the shareholders meeting approved the pre-emptive subscription right waiver, please answer yes or no, otherwise N/A.

Question: Was the subscription pre-emptive right waiver included in the Notice of the Meeting where it was approved? (Provision 6) Yes No N/A

Comments**Question 10 (*)**

Assumption: If the Shareholders Meeting changed the principal place of business, please answer yes or no, otherwise N/A.

Question: Was the principal place of business modification included in the Notice of the Meeting where it was approved? (Provision 6) Yes No N/A

Comments

Question 11 (*)

Assumption: If the Shareholders Meeting approved the early dissolution of the company, please answer yes or no, otherwise N/A.

Question: Was the early dissolution included in the Notice of the Meeting where it was approved? Yes No N/A

Comments

Question 12 (*)

Question: Does the issuer have electronic means for shareholders to access information real-time on the Shareholders Meeting if they can not attend? (Provision 7) Yes No

Comments Titularizadora has nine (9) shareholders, all of them legal entities and 80% of them under supervision of the *Superintendencia Financiera de Colombia*. The implementation of electronic means to transmit the Shareholders Meeting to those who cannot attend is deemed unnecessary considering that such implementation cost is not proportional to the historical absenteeism to such meetings. More than 95% of shareholders attend the general shareholders meetings.

Relevant Operation Approval

Question 13 (*)

Assumption: If during the period under assessment the company transacted relevant operations with its financially related parties other than operations where the following conditions concur: a. operations at fair market rates set on a general basis by whoever acts as provider of the good/service in question and b. operations related to the ordinary course of business of the issuer other than material operations, please answer yes or no, otherwise N/A.

Question: For the relevant operations made with financially related parties as referred above under the assumption, save for those explicitly prohibited by law for the issuer, were they approved by the General Shareholders Meeting? (Provision 8) Yes No N/A

Comments Titularizadora's operations with its financially related parties (shareholders with more than 10% share) are conducted under the ordinary course of business and previously approved by the Board of Directors as provided in the bylaws.

Shareholders' rights and fair treatment

Question 14 (*)

Question: Does the issuer make public the rights and obligations inherent in the shareholder status, in a clear, accurate, and law-abiding way? (Provision 9) Yes No

Comments

Question 15 (*)

Question: Does the issuer make permanently public the classes of shares issued? (Provision 10)
(X) Yes () No

Comments

Question 16 (*)

Question: Does the issuer make permanently public the number of shares issued? (Provision 10)
(X) Yes () No

Comments

Question 17 (*)

Question: Does the issuer make permanently public the number of shares in reserve for each class? (Provision 10)
(X) Yes () No

Comments

Question 18 (*)

Question: Has the issuer established internal rules of operation for the general shareholders meeting? (Provision 11)
() Yes (X) No

Comments The shareholders meeting' rules of operation are included in the Bylaws, the Corporate Governance Code, and the Shareholders Agreement of the Company.

Question 19 (*)

Assumption: If the issuer has general shareholders meeting's internal rules of operation, please answer yes or no, otherwise N/A.

Question: Do the General shareholders meeting's internal rules of operation include provisions about the notice of the meeting? (Provision 11)
() Yes () No (X) N/A

Comments

Question 20 (*)

Assumption: If the issuer has shareholders meeting's internal rules of operation, please answer yes or no, otherwise N/A.

Question: Do the General shareholders meeting's internal rules of operation include provisions about how to conduct the meeting? (Provision 11)
() Yes () No (X) N/A

Comments

II. BOARD OF DIRECTORS

Size, Composition, and Operation

Question 21 (*)

Question: Is the Board of Directors comprised of an odd number of members sufficient for proper performance? (Provision 12)
(X) Yes () No

Comments**Question 22 (*)**

Question: Does the Board of Directors meet at least once a month? (Provision 13) Yes No

Comments**Question 23 (*)**

Question: Does the Board of Directors have Internal Rules of Operation? (Provision 14) Yes No

Comments The Board of Directors' rules of operation are included in the Company Bylaws, Corporate Governance Code, and Shareholders Agreement.

Question 24 (*)

Assumption: If the issuer has board of directors' internal rules of operation, please answer yes or no, otherwise N/A.

Question: Have the Board of Directors' internal rules of operation been provided to all the issuer's shareholders? (Provision 14) Yes No N/A

Comments**Question 25 (*)**

Assumption: If the issuer has board of directors' internal rules of operation, please answer yes or no, otherwise N/A.

Question: Are the Board of Directors' internal rules of operation binding upon all the Directors? (Provision 14) Yes No N/A

Comments**Question 26 (*)**

Assumption: If the issuer has board of directors' internal rules of operation, please answer yes or no, otherwise N/A.

Question: Do the Board of Directors' internal rules of operation provide for the information that must be available to Directors when first appointed and in general as suggested in Provision 18? (Provision 14) Yes No N/A

Comments**Question 27 (*)**

Assumption: If the issuer has board of directors' internal rules of operation, please answer yes or no, otherwise N/A.

Question: Do the Board of Directors' internal rules of operation provide that the minutes of the meetings identify any supports for decision-making, as well as any reasons for agreement or disagreement taken into account for such decisions and in general whatever is suggested in Provision 19? (Provision 14) Yes No N/A

Comments**Question 28 (*)**

Assumption: If the issuer has board of directors' internal rules of operation, please answer yes or no, otherwise N/A.

Question: Do the Board of Directors' internal rules of operation provide for the period information must be available to Directors prior to the Board of Directors' meeting and in general as suggested in Provision 20? (Provision 14) Yes No N/A

Comments**Question 29 (*)**

Assumption: If the issuer has board of directors' internal rules of operation, please answer yes or no, otherwise N/A.

Question: Is the period that information must be available to Directors prior to the Board of Directors' meeting less than two (2) days according to the Board of Directors' internal rules of operation? (Provision 20) Yes No N/A

Comments**Question 30 (*)**

Assumption: If the issuer has board of directors' internal rules of operation, please answer yes or no, otherwise N/A.

Question: Do the Board of Directors' internal rules of operation set out the means for the Directors to retrieve the information submitted to them prior to the meeting? (Provision 20) Yes No N/A

Comments**Question 31 (*)**

Assumption: If the issuer has board of directors' internal rules of operation, please answer yes or no, otherwise N/A.

Question: Do the Board of Directors' internal rules of operation provide for the possibility that upon request of any member the Board of Directors may hire an external advisor to contribute judging criteria required for adopting certain decisions? (Provision 22) Yes No N/A

Comments**Question 32 (*)**

Assumption: If the issuer has board of directors' internal rules of operation, please answer yes or no, otherwise N/A.

Question: Do the Board of Directors' internal rules of operation provide under which conditions, upon request of any member the Board of Directors may hire an external advisor to contribute judging criteria required for adopting certain decisions? (Provision 22) Yes No N/A

Comments

Question 33 (*)

Question: For the designation of a Board of Directors' member, does the issuer take into account that the proposed member fulfills certain requirements of professional standing, education and experience for the best performance of his or her assignments? (Provision 15) (X) Yes () No

Comments**Question 34 (*)**

Question: Are the majority of members of the Board of Directors or the body acting as such independent? (Provision 16) (X) Yes () No

Comments**Rights and duties of a Board of Directors' member****Question 35 (*)**

Question: Do the members of the Board of Directors inform of any existing direct or indirect relationships with any interest group, out of which a conflict of interest may arise or which may bias his or her opinion or vote? (Provision 17) (X) Yes () No

Comments**Question 36 (*)**

Question: Does the issuer make information available to Board of Directors' newly appointed members, in a way sufficient for them to acquire a specific knowledge on the issuer and the sector in which it operates? (Provision 18) (X) Yes () No

Comments**Question 37 (*)**

Question: Does the issuer make information available to Board of Directors' newly appointed members as related to their responsibilities, duties, and attributions arising from that appointment? (Provision 18) (X) Yes () No

Comments**Question 38 (*)**

Question: Do minutes of the meetings of the Board of Directors identify any studies, supports and any other sources of information that support decision making? (Provision 19) (X) Yes () No

Comments**Question 39 (*)**

Question: Do minutes of the meetings of the Board of Directors include the reasons for agreement or disagreement taken into account in decision making? (Provision 19) (X) Yes () No

Comments

Question 40 (*)

Question: Does the issuer make information available to the Board of Directors' members at least two (2) days in advance, relevant to decision making according to the agenda submitted in the meeting notice? (Provision 20) (X) Yes () No

Comments**Question 41 (*)**

Assumption: If the issuer's board of directors has alternate directors, please answer yes or no, otherwise N/A.

Question: Does the issuer provide mechanisms for Alternate Directors to be adequately informed of the subjects submitted to the Board of Directors for consideration, so that whenever they have to take the Principal Director's place they have the knowledge required to carry out their task? (Provision 21) (X) Yes () No () N/A

Comments**Question 42 (*)**

Question: Does the issuer provide a budget item supporting the possibility for the Board of Directors to eventually hire an external advisor, upon request of any of the Directors for contributing judging criteria in the making of certain decisions? (Provision 22) (X) Yes () No

Comments**Support Committees****Question 43 (*)**

Assumption: If there is a permanent committee other than the legally required, whose functions include to support the board of Directors in matters related to appointments and compensation, please answer yes or no, otherwise N/A.

Question: Does the committee of appointments and compensation include at least one Board of Directors' member? (Provision 23) () Yes () No (X) N/A

Comments**Question 44 (*)**

Assumption: If there is a permanent committee other than the legally required, whose functions include to support the board of Directors in matters related to appointments and compensation, please answer yes or no, otherwise N/A.

Question: Does the Appointment and compensation committee support the Board of Directors in reviewing the senior management performance, meaning the President and officers in the immediately lower level? (Provision 24) () Yes () No (X) N/A

Comments**Question 45 (*)**

Assumption: If there is a permanent committee other than the legally required, whose functions include to support the board of Directors in matters related to appointments and compensation, please answer yes or no, otherwise N/A.

Question: Does the Appointment and compensation committee propose a policy of compensation and salaries for the issuer's employees including the senior management? (Provision 24)

Yes No N/A

Comments

Question 46 (*)

Assumption: If there is a permanent committee other than the legally required, whose functions include to support the board of Directors in matters related to appointments and compensation, please answer yes or no, otherwise N/A.

Question: Does the Appointment and compensation committee propose the appointment, compensation, and removal of the company President or whoever acts as such? (Provision 24)

Yes No N/A

Comments

Question 47 (*)

Assumption: If there is a permanent committee other than the legally required, whose functions include to support the board of Directors in matters related to appointments and compensation, please answer yes or no, otherwise N/A.

Question: Does the Appointment and compensation committee propose objective criteria upon which the issuer engages its main executive officers? (Provision 24)

Yes No N/A

Comments

Question 48 (*)

Assumption: If there is a permanent committee other than the legally required, whose functions include to support the board of Directors in corporate governance related matters, please answer yes or no, otherwise N/A.

Question: Does the Corporate governance committee include at least one Board of Directors' member? (Provision 23)

Yes No N/A

Comments

Question 49 (*)

Assumption: If there is a permanent committee other than the legally required, whose functions include to support the board of Directors in corporate governance related matters, please answer yes or no, otherwise N/A.

Question: Does the Corporate governance committee promote the full, trustworthy, and timely access of shareholders and general market to issuer's information of mandatory disclosure? (Provision 25)

Yes No N/A

Comments

Question 50 (*)

Assumption: If there is a permanent committee other than the legally required, whose functions include to support the board of Directors in corporate governance related matters, please answer yes or no, otherwise N/A.

Question: Does the Corporate governance committee inform of the Audit Committee's performance? (Provision 25) Yes No N/A

Comments**Question 51 (*)**

Assumption: If there is a permanent committee other than the legally required, whose functions include to support the board of Directors in corporate governance related matters, please answer yes or no, otherwise N/A.

Question: Does the Corporate governance committee examine and assess how the Board of Directors fulfilled its duties during the period? (Provision 25) Yes No N/A

Comments**Question 52 (*)**

Assumption: If there is a permanent committee other than the legally required, whose functions include to support the board of Directors in corporate governance related matters, please answer yes or no, otherwise N/A.

Question: Does the Corporate governance committee monitor transactions carried out by directors of the Board on shares issued by the company or other companies of the same group? (Provision 25) Yes No N/A

Comments**Question 53 (*)**

Assumption: If there is a permanent committee other than the legally required, whose functions include to support the board of Directors in corporate governance related matters, please answer yes or no, otherwise N/A.

Question: Does the Corporate governance committee supervise the fulfillment of the compensation policy for managers? (Provision 25) Yes No N/A

Comments**Question 54 (*)**

Question: Beside the functions established by law or the bylaws, does the Audit Committee give its opinion in writing on the possible operations planned to be carried out with financially related parties? (Provision 26) Yes No

Comments Operations with financially related parties result from the corporate purpose activities and are subject to the Board of Directors' approval. The post transaction review is carried out by the Internal Control Director who reports the results to the Audit Committee.

Question 55 (*)

Question: Beside the functions established by law or the bylaws, does the Audit Committee verifies that the possible operations planned to be transacted with financially related parties are effected under market conditions and do not impair the fair treatment to shareholders? (Provision 26) Yes No

Comments The operations that are planned to be transacted with financially related parties are approved by the Board of Directors and conducted in the company's ordinary course of business.

Question 56 (*)

Question: Besides the functions established by law or the bylaws, does the Audit Committee establish the policies, criteria, and practices that the issuer will use to build, disclose and divulge it financial information? (Provision 26) Yes No

Comments The Audit Committee recommends to the Board of Directors the Internal Control System's general policies, including those related to information and communication. The approval of said policies corresponds to the Board of Directors.

Question 57 (*)

Question: Beside the functions established by law or the bylaws, does the Audit Committee define mechanisms to consolidate the issuer's supervisory bodies data to submit information to the Board of Directors? (Provision 26) Yes No

Comments The relevant matters provided by the supervisory bodies are submitted to the Board of Directors for consideration, previously known to the Audit Committee.

III. FINANCIAL AND NON-FINANCIAL INFORMATION DISCLOSURE

Requests for Information**Question 58 (*)**

Question: Does the issuer provide a point of contact or assistance available to its investors that serves as a communication channel between investors and issuer? (Provision 27) Yes No

Comments

Question 59 (*)

Question: When in the issuer's judgment, an answer to an investor is deemed to possibly give this investor an advantage, does the issuer grant the other investors immediate access to that answer by the means established by the issuer for that purpose and under the same financial conditions? (Provision 28) Yes No

Comments

Question 60 (*)

Question: May a group of shareholders request a specialized audit? (Provision 29) Yes No

Comments

Question 61 (*)

Assumption: If a group of shareholders may request specialized audits, please answer yes or no, otherwise N/A.

Question: Is there a procedure specifying the minimum share percentage to be allowed to request a specialized audit? (Provision 30) Yes No N/A

Comments**Question 62 (*)**

Assumption: If a group of shareholders may request specialized audits, please answer yes or no, otherwise N/A.

Question: Is there a procedure specifying the reasons that led the issuer to determine a minimum share percentage to be allowed to request a specialized audit? (Provision 30) Yes No N/A

Comments The fixed percentage is provided in the Corporate Governance Code.

Question 63 (*)

Assumption: If a group of shareholders may request specialized audits, please answer yes or no, otherwise N/A.

Question: Is there a procedure to specify the requisites for a specialized audit request? Yes No N/A

Comments**Question 64 (*)**

Assumption: If a group of shareholders may request specialized audits, please answer yes or no, otherwise N/A.

Question: Is there a procedure that specifies who should perform the specialized audit and how is this auditor designated? (Provision 30) Yes No N/A

Comments**Question 65 (*)**

Assumption: If a group of shareholders may request specialized audits, please answer yes or no, otherwise N/A.

Question: Is there a procedure to specify who bears the cost of a specialized audit? (Provision 30) Yes No N/A

Comments**Question 66 (*)**

Assumption: If a group of shareholders may request specialized audits, please answer yes or no, otherwise N/A.

Question: Are the terms provided for each stage/step of the procedure for specialized audit contract exact? (Provision 30) Yes No N/A

Comments There are not specific periods because the entering into an audit contract is left to the requesters' discretion.

Information for the Market

Question 67 (*)

Question: Are there any mechanisms provided by the issuer to disclose any material findings that result from the internal control activities to the shareholders and other investors? (Provision 31) Yes No

Comments

Question 68 (*)

Question: (Provision 32) Does the issuer disclose to the market the general policies on remuneration and any economic benefit granted to:

Members of the Board of Directors? Yes No

Legal Representative? Yes No

Statutory Auditor? Yes No

External Advisors? Yes No

External Auditors? Yes No

Comments Said policy is not disclosed to the market because it is deemed confidential information.

Question 69 (*)

Question: Does the issuer disclose to the market the contracts entered into with its directors, managers, top executives and legal representatives, which involve their relatives, associates and any other related parties? (Provision 33) Yes No

Comments Titularizadora's Code of Ethics establishes that no individual may take part in any transaction, promotion or business execution, or in the definition of policies, rules or procedures, in which said individual has any personal or family financial interest.

Therefore, contracts with Directors concern their participation in Titularizadora's Board of Directors and contracts with top executives correspond to employment contracts.

Question 70 (*)

Question: Does the issuer disclose to the market its internal rules on dispute resolution? (Provision 34) Yes No

Comments

Question 71 (*)

Question: Does the issuer disclose to the market the criteria applicable to negotiations conducted by its directors, managers and officer on shares and other securities issued by the issuer, such as the pre-emptive rights? (Provision 35) Yes No

Comments**Question 72 (*)**

Question: Does the issuer disclose to the market the résumés of members of the Board of Directors and internal control bodies or the bodies that act as such, and legal representatives, so that their qualifications and experience may be known with respect to their ability at fulfilling their corresponding assignments? (Provision 36) (X) Yes () No

Comments**Statutory Auditor****Question 73 (*)**

Question: Did the issuer designated as statutory auditor individuals or legal entities that have received any revenues from the company and/or any of its financially related parties, representing 25% or more of their last year's annual income? (Provision 37) (X) Yes () No

Comments**Question 74 (*)**

Question: Does the issuer or its financially related parties hire the statutory auditor for services other than audit? (Provision 38) () Yes (X) No

Comments Titularizadora does not contract other than audit services with the statutory audit firm.

Question 75 (*)

Question: Do the contracts entered into by the issuer and the statutory auditor include provisions on the turnover of individuals that perform the audit with a five (5) year frequency? (Provision 39) (X) Yes () No

Comments**Question 76 (*)**

Question: Does the issuer demand that the statutory auditor's turned over individual must wait at least two (2) years before retaking the statutory auditing of the same company? (Provision 39) (X) Yes () No

Comments**IV. DISPUTE RESOLUTION****Question 77 (*)**

Question: Does the issuer take the required actions to inform its shareholders of the jurisdictional procedure available to them in order to call the protection of their rights with the *Superintendencia Financiera de Colombia*? (Provision 40) () Yes (X) No

Comments All Titularizadora's shareholders belong to the financial sector and know the jurisdictional procedure provided by the *Superintendencia Financiera* for the protection of their rights.

Question 78 (*)

Question: Has the issuer approved the direct settlement scheme for the resolution of disputes arising between the issuer and the shareholders, or between shareholders and managers, or among shareholders? (Provision 41) Yes No

Comments The Arbitration Court is provided.

Question 79 (*)

Question: Does the issuer provide for an alternate method for resolution of disputes arising between the issuer and the shareholders, or between shareholders and managers, or among shareholders? (Provision 41) Yes No

Comments

Optional Question

Question 80 (*)

Question: If any corporate governance practices are in place in addition to those recommended by the Code of Best Corporate Practices, this section provides an option for the issuer to make them known.

Comments Titularizadora's Investors Committee is comprised of representatives of the institutional investors (Fasecolda, Asofondos, Asofiduciarias, Bolsa de Valores de Colombia) and legal representatives of the bondholders of securities issued. The purpose of the Committee is to act as an informative, broadcasting and discussion body for institutional investors regarding the development, performance and improvement of the primary and secondary markets for mortgage-backed securities issued by the company. Notwithstanding the non mandatory nature of this Committee for the securitization conduits resulting from the repeal of Resolution 275/2001, Titularizadora keeps the Investors Committee in effect and working under its corporate governance best practices.