

REPORT OF BEST CORPORATE PRACTICES IMPLEMENTATION

ISSUER CORPORATE NAME: Titularizadora Colombiana S.A.

PRINCIPAL LEGAL REPRESENTATIVE: Alberto Gutierrez Bernal

LEGAL REPRESENTATIVE DESIGNATED FOR SUBMITTING THE IMPLEMENTATION REPORT: Ricardo Molano Leon

REPORT PERIOD: January to December 2015

REPORT DATE: 29 January 2016

INTRODUCTION

The implementation of the recommendations provided by the new Colombian code of best corporate practices is to be reported by the issuers to the Colombian Finance Superintendence (SFC) by way of this Report of best corporate practice implementation.

The aim of this report is to inform the exchange market of the issuer's implementation of or failure to implement the *Código's* recommendations. To this effect, in front of each recommendation there are three boxes that correspond to YES, NO, and N/A answers, as well as a space to elaborate on the answer as follows:

For a YES, the issuer will briefly describe how the implementation has been carried out. For a NO, the issuer will explain the reasons to fail to adopt.

An N/A answer is given only when upon legal reasons the issuer cannot adopt the recommendation. In such a case, the issuer will indicate accurately the law or regulation that prevents the implementation.

Given that certain recommendations are comprised of a number of specific items, it is important to highlight that the recommendation is deemed implemented only if all the components are implemented, unless there are legal grounds for failing to implement, which will be indicated.

Each recommendation has a box for the date the issuer implemented it for the first time. In addition, there is a box to record the dates of any amendments.

Finally, when due to its nature, the issuer does not have the specific body mentioned in a recommendation, it will be understood to refer to the entity's equivalent body or the body that performs the same functions.

I. SHAREHOLDERS' RIGHTS AND FAIR TREATMENT

Measure No. 1: Principle of fair treatment

1.1. The company gives a fair treatment to all the shareholders who, within the same stock class are in the same conditions, without implying shareholders' access to privileged information of other shareholders.

1.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Titularizadora's shares are nominative and ordinary, therefore shareholders, whether minority or foreign, are treated fairly and have the same rights of access to information and voting under the Articles of Association, the Shareholders Agreement, and the Corporate Governance Code. It is worth of mentioning that the Company does not have different classes of stock or shareholders.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	13 July 2001
Amendment Dates	

1.2. The Board of Directors has approved a specific procedure defining the company's practices on relationships with shareholders in different capacities, as to matters such as access to information, servicing of requests of information, communication channels, and ways of interaction of shareholders with the Company, its Board of Directors, and other Management.

1.2 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Under Titularizadora's Corporate Governance Code Chapter 8, shareholders may address the Company's Secretary General using the communication mechanisms provided for such purpose, with the aim to resolve questions, submit inquiries, and access the Company's information available to shareholders.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	10 December 2015

Measure No. 2: Information about stock

2.1. On its website, the company informs to the public with clarity, accuracy, and integrity about the different classes of shares issued by the Company, the quantity of shares issued for each class, and the quantity of shares in reserve, as well as the rights and duties inherent in each stock class.

2.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Titularizadora publishes on its website the information related to the shares issued by the Company, which are nominative and ordinary. Shareholders' rights and duties are in the Articles of Association, also available on the Company's website www.titularizadora.com</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	

Measure No. 3: No stock watering

3.1. Whenever operations can result in stock watering of minority share capital (as in the cases of capital increase with waiver of pre-emptive right to share subscription or of a merger, a divestiture, or a split-off, amongst others), **the company explains the operation in detail to the shareholders** in a previous report of the Board of Directors and upon the opinion about the transaction terms and conditions by a renowned independent external advisor (fairness opinion) designated by the Board of Directors. These reports are made available to the shareholders prior to the Shareholders Meeting within the specific term for asserting the inspection right.

3.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Titularizadora's Corporate Governance Code item 1.3.2-b provides that the Board of Directors will make available to the shareholders within the term of the notice of the Shareholders Meeting a detailed report on the proposed operation, upon the opinion of an independent external advisor designated by the Board of Directors whenever it deals with operations that could result in the watering of minority share capital.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	10 December 2015
Amendment Dates	

NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	17 April 2002
Amendment Dates	10 December 2015

4.3. The company holds events to present quarterly results to shareholders and market analysts, which may be attended in person or by communications media (teleconference, videoconference, etc.)

4.3 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain: Titularizadora publishes periodically on its website financial information link, the company's financial statements, and included in the financial information of each issue the issue's financial statements that enable the shareholders, the market analysts, and the investors to conduct the corresponding assessment and analysis. In like manner, we must take into account that the Company shares that information and other interesting data with the Investors Committee, which is governed by the Corporate Governance Code. Finally, it is worth of noting that Titularizadora's shareholders have a closer relationship with the Board of Directors and the Senior Management, Titularizadora being a company not listed on the stock exchange, with a reduced number of shareholders (eight altogether), and with an effective Shareholders Agreement.
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	
Amendment Dates	

4.4. The company holds or takes part in fixed interest market presentations, events, or forums primarily addressing investors in debt instruments and market analysts, which update the issuer's business indicators, management of liabilities, financial policy, ratings, performance as to covenants, etc.

4.4 Implements the Measure YES NO N/A

YES. Describe briefly: Titularizadora does participate in fixed interest market events and forums and conducts training events addressed to analysts, investors, and underwriters for refresh on the issues' information and performance.
NO. Explain:

N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	31 December 2002
Amendment Dates	

4.5. The company's Bylaws provide that a shareholder or group of shareholders representing at least five percent (5%) of the capital may request Specialized Audits of matters different from those audited by the company's statutory auditor (*Revisor Fiscal*). In function of the company's capital structure, the company may determine a percentage of less than five percent (5%).

4.5 Implements the Measure YES NO N/A

YES. Describe briefly:
 Titularizadora's article 49 in the Articles of Association and item 4.4 of the Corporate Governance Code provide that shareholders representing at least 5% of the share capital of the Company may conduct specialized audits.

NO. Explain:

N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	17 April 2002
Amendment Dates	10 December 2015

4.6. With the aim to assert this right, the company is provided with a procedure in writing including the specifications contemplated in recommendation 4.6.

4.6 Implements the Measure YES NO N/A

YES. Describe briefly:
 Corporate Governance Code item 4.4 establishes a procedure to be followed by shareholders and investors of securities issued by the Company with the purpose of conducting specialized audits, according to the representation percentage specified and in the terms and conditions described in that procedure.

NO. Explain:

N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	17 April 2002
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Amendment Dates	10 December 2015
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Measure No. 5: Management actions in face of operations of company's control change or takeover

5.1. Members of the Board of Directors and Senior Management have explicitly agreed in their Letters of Acceptance or contracts, to the periods beginning since they are aware of an IPO submission or other operations of the kind, such as mergers or divestitures, in which they agree not to trade company's stock directly or indirectly through a third party.

5.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p>
<p>NO. Explain:</p> <p>Titularizadora's stock is not traded in the public stock exchange. In addition, Corporate Governance Code item 7.6-b provides that members of the Board of Directors may not purchase either directly or through a third party, Company's stock while in the course of performance of their job. Regarding securities issued by Titularizadora, Corporate Governance Code item 7.7 provides that managers and officials may not directly or indirectly purchase and/or dispose of securities issued by the Company in the case described in said item.</p> <p>As per the Articles of Association, managers are bound to comply with the Articles of Association and with the Corporate Governance Code.</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	
Amendment Dates	

Measure No. 6: Market price of companies integrated into Conglomerates

6.1. Without detriment to the independence of each individual company integrated into the Conglomerate and the responsibilities of their management bodies, the Conglomerate's **organizational structure in place** defines for the three (3) governance levels—shareholders meeting, Board of Directors, and Senior Management—, key bodies and individual posts as well as the relationships between them, a structure that is public, clear, and transparent; allows defining clear lines of responsibility and communication; and facilitates the Conglomerate's strategic guidance, supervision, control, and effective administration.

6.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p>
<p>NO. Explain:</p>

N/A. Specify the rulings that prevent adopting the recommendation:	
Titularizadora does not form part of a Conglomerate because it is not in a situation of control or enterprise group and therefore the laws and regulations governing this type of integrations are not applicable to Titularizadora (Law 222 of 1995 §§26 et seq.)	
Implementation Date	
Amendment Dates	

6.2. The parent company and foremost subsidiaries have defined a framework of institutional relationships by executing an agreement of a public nature and approved by the Board of Directors of each such company governing the matters stated in recommendation 6.2.

6.2 Implements the Measure YES NO N/A

YES. Describe briefly:	
NO. Explain:	
N/A. Specify the rulings that prevent adopting the recommendation:	
Titularizadora does not form part of a Conglomerate because it is not in a situation of control or enterprise group and therefore the laws and regulations governing this type of integrations are not applicable to Titularizadora (Law 222 of 1995 §§26 et seq.)	
Implementation Date	
Amendment Dates	

Measure No. 7: Dispute resolution

7.1. Save for disputes of shareholders with each other or of shareholders with the company or its Board of Directors, which under express legal attribution must be resolved necessarily in the ordinary forums, the company's Bylaws include mechanisms for resolving conflicts such as direct settlement, amicable composition, conciliation or arbitration.

7.1 Implements the Measure YES NO N/A

YES. Describe briefly:	
The Company's Articles of Association include an arbitration clause (article 46) whereby any disputes arising between shareholders or between shareholders and the Company or its Board of Directors will be submitted first to a direct settlement and afterwards to an arbitration court for resolution.	
NO. Explain:	

N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	13 July 2001
Amendment Dates	18 December 2015

I. GENERAL SHAREHOLDERS MEETING

Measure No. 8: Functions and competences

8.1. In addition to other functions attributed to the General Shareholders Meeting by law, **the Bylaws expressly provide the functions of the General Shareholders Meeting indicated in recommendation 8.1.**, and place emphasis on their exclusive and indelegable nature.

8.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The parameters of the functions indicated in this recommendation were attributed exclusively to the General Shareholders Meeting of Titularizadora. These functions are indelegable according to the provisions of article 26 in the Articles of Association.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	18 December 2015
Amendment Dates	

Measure No. 9: Rules of operation of the General Shareholders Meeting

9.1. **The company has the Rules of Operation for the General Shareholders Meeting** that governs all the matters concerning thereto from the notice of the meeting to the preparation of the information to be received by shareholders, to attendance, development and exercise of the political rights of shareholders, so they are accurately informed of all the regime for the development of Shareholders Meeting sessions.

9.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Titularizadora's Corporate Governance Code item 1.3 incorporates the Rules of operation of the General Shareholders Meeting, which includes all the matters related to the operation, rights, and duties thereof.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	7 November 2002
Amendment Dates	10 December 2015

Measure No. 10: Notice of the meeting for the Shareholders Meetings

10.1. With the aim of facilitating the shareholders' right to information, **the Bylaws provide that the ordinary General Shareholders Meeting must be called not less than thirty (30) calendar days in advance to the meeting and for special meetings the notice of the meeting will be given not less than fifteen (15) calendar days in advance.** The foregoing without detriment to the legal terms established in the cases of enterprise reorganizations (e.g., mergers, divestitures, or changes of corporate form).

10.1 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain: Notice of the meeting for the Shareholders Meetings will be sent at least fifteen (15) business days prior to the date of the meeting in the case of ordinary sessions, and five (5) calendar days in the event of special sessions. In the case of Titularizadora, its shareholders have a closer relationship with the Board of Directors and the Senior Management, Titularizadora being a company not listed on the stock exchange, with a reduced number of shareholders (eight altogether), with an effective Shareholders Agreement, and with adequate access to the Company's information during each fiscal period and within the legal terms.
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	
Amendment Dates	

10.2. In addition to traditional and mandatory media as provided in the legal framework, **the company ensures a broadest divulgation and publicity of the notice of the meeting** by using electronic means such as the corporate website, alerts through customized emails and even through social media as deemed relevant.

10.2 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain: Considering that Titularizadora has eight shareholders only, the General Shareholders Meeting is called by sending the physical notice to the domicile of each shareholder; thereby, shareholders have attended the Shareholders Meetings sessions over the history of Titularizadora. Titularizadora's shareholders have a more dynamic relationship with the Board of Directors and the Senior Management, Titularizadora being a company not listed on the stock exchange, with a reduced number of shareholders (eight altogether), and with an effective Shareholders Agreement.
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	
Amendment Dates	

10.3. With the aim to enhance the transparency of the decision making process in the Shareholders Meeting, aside from the meeting Agenda including point for point the titles of topics to be subject to discussion, **the company has provided that simultaneously with the notice of the meeting or, at least fifteen (15) calendar days prior to the meeting, the Proposals of Agreement** that the Board of Directors will submit to the General Shareholders Meeting for each item in the Agenda be made **available to the shareholders**.

10.3 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain: The Company makes available to the shareholders in advance the information related to the items to be submitted to the Shareholders Meeting for consideration. Proposals of agreement have not been included previously because it is deemed that each shareholder will conduct its own analysis and assessment of the items in the agenda of the Shareholders Meeting and will share their conclusions there. In the case of Titularizadora, its shareholders have a more dynamic relationship with the Board of Directors and the Senior Management, Titularizadora being a company not listed on the stock exchange, with a reduced number of shareholders (eight altogether), and with an effective Shareholders Agreement, all of which makes the Shareholders Meeting development different from that of a company whose shares are listed with the stock market.
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	
Amendment Dates	

10.4. A partial divestiture (split-off) may only be analyzed and approved by the General Shareholders Meeting whenever this item has been explicitly included in the respective notice of the meeting.

10.4 Implements the Measure YES NO N/A

YES. Describe briefly: In accordance with the provisions of article 26 in the Articles of Association of Titularizadora and item 1.3.2. in the Corporate Governance Code, a partial divestiture will be analyzed by the General Shareholders Meeting only if and when included in the agenda.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	10 December 2015
Amendment Dates	

10.5. The Agenda proposed by the Board of Directors includes specifically the content of topics to be addressed, thus avoiding that transcendent topics be hidden or masked under inconsistent, generic, or too general or broad titles such as "other" or "proposals and various".

10.5 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Titularizadora's article 21 in the Articles of Association and item 1.3.2-b of the Corporate Governance Code provide that the agenda will include the items to be submitted for consideration, in a clear, specific, and duly broken-down way.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	10 December 2015
Amendment Dates	

10.6. In the case of amendments to the Bylaws, the Meeting votes separately on each article or group of articles that is substantially independent. In any case, a separate vote will be conducted on an article if a shareholder or group of shareholders representing at least five percent (5%) of the capital stock, so requests during the Shareholders Meeting, a right that is informed to the shareholders previously.

10.6 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Shareholders are entitled to vote individually or in blocks on the amendments to the Articles of Association according to item 1.3.2-e of Titularizadora's Corporate Governance Code.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	10 December 2015
Amendment Dates	

10.7. Without detriment to the provisions of the Code of Commerce §182 and with the aim to reinforce and guarantee the shareholder's right of inspection and information previously to the Shareholders' Meeting, **the Bylaws recognize the shareholder's right regardless of their equity interest to propose the inclusion in the Agenda of one or more items for discussion** at the General Shareholders Meeting within a reasonable term and as long as the request of new items includes a justification. A shareholder's request will be made within five (5) calendar days after the publication of the notice of the meeting.

10.7 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Article 21 in the Articles of Association recognizes shareholders' right regardless of their equity interest to propose the inclusion of one or more items in the agenda for procedure, within a term consistent with the statutory term of notice of the ordinary shareholders meeting.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	18 December 2015
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10.8. If the request is denied by the Board of Directors, **the Board is bound to answer in writing** to the requests supported by at least five percent (5%) of the capital stock or a smaller percentage that the company establishes consistent with the concentration of ownership, upon **explaining the reasons behind their decision and** informing the shareholders of their right to present their proposals during the development of the Shareholders Meeting under the Code of Commerce §182 referred to previously.

10.8 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Corporate Governance Code item 1.3.2-b states the procedure to be followed by Titularizadora's shareholders to have their proposals analyzed and answered for the introduction of new topics in the Agenda of the Shareholders Meeting.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	10 December 2015
Amendment Dates	

10.9. In the case that the Board of Directors accepts the request upon exhaustion of the term for shareholders to propose topics as per the above recommendations, **a supplement to the notice of the meeting of the General Shareholders Meeting** is published **at least** fifteen (15) calendar days before the meeting.

10.9 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Titularizadora's shareholders have this right, as indicated in general under article 21 of the Articles of Association and specifically in item 1.3.2-b of the Corporate Governance Code, the latter providing that the agenda will be published as relevant information 5 days before the meeting. The term varies as per the terms the Company has defined for sending notice of the meeting for ordinary shareholders meetings in accordance with the provisions of the Articles of Association.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	10 December 2015
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10.10. Within the same term as indicated in the previous subsection 10.7., **shareholders may also submit new duly founded Proposals of Agreement** about matters previously included in the Agenda. For these requests, the Board of Directors act as provided in previous subsections 10.8 and 10.9.

10.10 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p>
<p>NO. Explain:</p> <p>As stated in recommendation 10.3 above, no Proposal of Agreement has been informed to the Shareholders Meeting previously because each shareholder conducts an analysis of the topics and submits its opinions at the Shareholders Meeting.</p> <p>In the case of Titularizadora, its shareholders have a more dynamic relationship with the Board of Directors and the Senior Management, Titularizadora being a company not listed on the stock exchange, with a reduced number of shareholders (eight altogether), and with an effective Shareholders Agreement, all of which makes the Shareholders Meeting development different from that of a company whose shares are listed with the stock market.</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	
Amendment Dates	

10.11. The company agrees to use electronic communications media, mainly the corporate website with exclusive access granted to the shareholders, to provide them with documents and information associated with each such item in the Agenda of the meeting.

10.11 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain: The Company has not enabled a link on its website for the exclusive access of the shareholders. The information associated with each item in the agenda of the meeting is made available within the terms stated in the Corporate Governance Code.
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	
Amendment Dates	

10.12. The company's Bylaws recognize the shareholders right to request sufficiently in advance information or clarifications as deemed relevant, through traditional channels and/or new technologies, as appropriate, or to present in writing the questions they deem necessary with respect to the matters included in the Agenda, the documentation received, or any public information supplied by the company. In function of the term decided by the company for sending notice of the General Shareholders Meeting, the company determines the term provided to the shareholders for asserting such right.

10.12 Implements the Measure YES NO N/A

YES. Describe briefly: Article 21 in the Articles of Association and item 1.3.2-c of the Corporate Governance Code recognize the shareholder's right to request information about the subjects included in the agenda.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	10 December 2015
Amendment Dates	

10.13. The company has provided that the information requested may be denied if, according to internal procedures, it can be assessed as (i) unreasonable; (ii) irrelevant to being informed of the company status or

interests; (iii) confidential, including privileged information in the stock exchange realm, industrial secrets, ongoing operations whose successful completion for the company depends considerably of the secrecy of their negotiation; and (iv) other, the disclosure of which would place the company's competitiveness in imminent and serious danger.

10.13 Implements the Measure YES NO N/A

YES. Describe briefly: Corporate Governance Code item 1.3.2-c indicates the reasons for denying a request for information, which substantially comprise the assumptions stated in this recommendation.	
NO. Explain:	
N/A. Specify the rulings that prevent adopting the recommendation:	

Implementation Date	10 December 2015
Amendment Dates	

10.14. Whenever the answer given to the shareholder is deemed to give it a potential advantage, the **company guarantees the other shareholders access to that answer** concurrently, according to the mechanisms established for that purpose and under the same conditions.

10.14 Implements the Measure YES NO N/A

YES. Describe briefly: Every shareholder of Titularizadora's has the same rights and obligations, including access to information in the same terms and conditions granted to the other shareholders. To this end, Corporate Governance Code item 1.3.2-c states that the company will grant access to information in the terms indicated in this measure.	
NO. Explain:	
N/A. Specify the rulings that prevent adopting the recommendation:	

Implementation Date	17 April 2002
Amendment Dates	18 December 2015

Measure No. 11: Regulation on representation

11.1. Without detriment to the constraints provided in Code of Commerce §185 and in the External Circular 24 of 2010, as amended, supplemented, or substituted, **the company does not limit the shareholder's right to be represented at the General Shareholders Meeting** and may delegate its vote to any person, whether a shareholder or not.

11.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Titularizadora's Corporate Governance Code item 1.3.2-d grants the shareholders a right to be represented at the General Shareholders Meeting whenever they cannot attend in person, as long as they comply with the criteria established by the applicable laws and regulations and with the provisions of the Corporate Governance Code.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	10 December 2015

11.2. **The company minimizes the use of the delegation of casting blank votes without voting instructions**, thus promoting actively the use of a standard letter of representation (power of attorney) provided directly by the company to shareholders or published on the website. The model includes the items of the Agenda and the corresponding Proposals of Agreement determined in accord with previously established procedures; it will be submitted to the shareholders for consideration so the shareholder who deems it convenient can indicate its vote to its proxy in each case.

11.2 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p>
<p>NO. Explain:</p> <p>For the ordinary Shareholders Meeting an exhibit with a special power of attorney is provided for shareholders to fill in and indicate their representative for the meeting. In this regard, shareholders are responsible for stating the scope and contents of the respective power of attorney.</p> <p>In the case of Titularizadora, its shareholders have a more dynamic relationship with the Board of Directors and the Senior Management, Titularizadora being a company not listed on the stock exchange, with a reduced number of shareholders (eight altogether), and with an effective Shareholders Agreement, all of which makes the Shareholders Meeting development different from that of a company whose shares are listed with the stock market.</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	
Amendment Dates	

Measure No. 12: Attendance of people other than shareholders

12.1. With the aim to revitalize the role of the Shareholders Meeting in formalizing the corporate will and making of it a much more participating body, the Rules of operation of the Shareholders Meeting of **the company requires that members of the Board of Directors and very particularly the chairs of the Board of Directors' committees and the company's President attend the Shareholders Meeting** to answer shareholders' questions.

12.1 Implements the Measure

YES

NO

N/A

YES. Describe briefly:

The Chairs of the Committees comprised of Directors and the Chair of the Board of Directors are invited to the General Shareholders Meeting whenever any of the topics included in the agenda could require explanations potentially requested by shareholders, given the special or urgent nature of the meeting, or whenever any shareholders request their attendance prior to holding the meeting. In any case, the President of the Company attends all and presides over the Shareholders Meetings.

NO. Explain:

N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	18 December 2015
Amendment Dates	

II. BOARD OF DIRECTORS

Measure No. 13: Functions of the Board of Directors

13.1. Bylaws explicitly indicate the **functions that may not be delegated to the Senior Management**, which include those stated in recommendation 13.1.

13.1 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain: Article 31 in the Articles of Association vests upon Titularizadora's Board of Directors the functions stated in this recommendation. In any case, for the purpose of the proper operations and business of the Company, the Board of Directors may delegate to the Board's Committees or to the President of the Company as deemed appropriate for special cases or for a limited time, any of its functions provided that they are delegable by their own nature and by law.
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	
Amendment Dates	

13.2. Without detriment to the autonomy of governance bodies in Subsidiaries, **whenever the company acts as the parent company of a conglomerate**, these functions of the Board of Directors have a group approach and are **performed through general policies, guidelines, or requests for information which are respectful of the balance between the interests of the parent company and the subsidiaries and of the Conglomerate as a whole.**

13.2 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation: Titularizadora does not form part of a Conglomerate since it is not in a situation of control or enterprise group and therefore the laws and regulations governing this type of integration are not applicable to Titularizadora (Law 222 of 1995 §§26 et seq.)

Implementation Date	
Amendment Dates	

Measure No. 14: Rules of operation of the Board of Directors

14.1. The Board of Directors has approved the internal rules of operation that govern its organization and operation as well as functions, responsibilities, duties and rights of the Directors, the Chair, and the Secretary of the Board of Directors. The rules of operation are distributed among the shareholders and they are binding upon the members of the Board of Directors.

14.1 Implements the Measure YES NO N/A

YES. Describe briefly: The Rules of Operation of the Board of Directors are incorporated into the Corporate Governance Code of the Company and they include matters related to the Board's operation, creation, responsibilities, etc. The Corporate Governance Code is published on the Company's website www.titularizadora.com
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	17 April 2002
Amendment Dates	18 December 2015

Measure No. 15: Size of the Board of Directors

15.1. The company under the bylaws decided not to designate Alternate Directors.

15.1 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain: The Company has defined under article 28 of the Articles of Association that the Board of Directors will be comprised of five principal directors and their corresponding alternate directors. In order to guarantee the due information to and intervention of all (principal and alternate) Directors of the Board, they are invited to all meetings and are given information to be subject to consideration by the Board of Directors.
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	
Amendment Dates	

Measure No. 16: Board of Directors Setup

16.1. On the premise that upon election, all the members of the Board of Directors act to the benefit of the company exercising the highest transparency, **the company identifies the origin of the different members of the Board of Directors** according to the scheme defined in recommendation 16.1.

16.1 Implements the Measure YES NO N/A

YES. Describe briefly:	
The Company identifies the members of the Board of Directors in accordance with the schema defined in this recommendation. The Board of Directors may consist of independent and equity members, but not of executive members according to Corporate Governance Code subsection 2.5.	
NO. Explain:	
N/A. Specify the rulings that prevent adopting the recommendation:	

Implementation Date	31 July 2013
Amendment Dates	10 December 2015

16.2. **The company is provided with a procedure** articulated through the Appointment and compensation committee or other committee that fulfills its functions, which procedure enables the Board of Directors to achieve the goals stated in recommendation 16.2., through their own dynamics and the conclusions from the annual evaluations.

16.2 Implements the Measure YES NO N/A

YES. Describe briefly:	
Corporate Governance Code subsection 2.1.2. states that the main function of Titularizadora's Appointments, Compensation and Ethics Committee is to participate in the process of setup of the Board of Directors. Correspondingly, as per item 2.1.4 of the Corporate Governance Code, the Board of Directors will participate in its annual evaluation process. Finally, the Shareholders Meeting under article 26 of the Articles of Association is in charge of approving the general outline of the Succession Policy, the compliance with which will be validated by the Appointments, Compensation and Ethics Committee and by the Board of Directors as provided in the Articles of Association item 30-bb.	
NO. Explain:	
N/A. Specify the rulings that prevent adopting the recommendation:	

Implementation Date	18 December 2015
Amendment Dates	

16.3. The professional profiles identified as necessary are informed by the Board of Directors to the shareholders in such a way that the different actors, mainly the shareholders who are controlling, significant, families, shareholders groups, and institutional shareholders, if any, and the Board of Directors itself are in condition of identifying the most suitable candidates.

16.3 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Appointments, Compensation and Ethics Committee will participate in the process of creation of the Board of Directors with the purpose of validating the parameters stated in the Succession Policy as provided in item 2.1.2 of the Corporate Governance Code. In turn, the Board of Directors will see to it that the process for nominating and electing the Directors be executed as provided in the Articles of Association and the Corporate Governance Code.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	18 December 2015
Amendment Dates	

16.4. The company considers that a mere evaluation of the curriculum vitae by shareholders is an insufficient resource to determine the suitability of candidates, therefore the company **is provided with an internal procedure to evaluate legal disqualifications and incompatibilities and the suitability of the candidate for the needs of the Board of Directors**, by the assessment of a set of criteria to be met by the candidates' functional and personal profiles and by the verification of fulfillment of certain objective requirements for belonging to the Board of Directors and other additional requirements for Independent Members.

16.4 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Committee of Appointments, Compensation, and Ethics participates in the process of Board of Directors creation with the aim to confirm that the nominees have not fallen within any grounds for disqualification and/or incompatibility and that the criteria set forth in the succession policy of the Board of Directors are met.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	18 December 2015
Amendment Dates	

16.5. In addition to the requirements related to independence already provided in Law 964 of 2005, **the company has voluntarily adopted a definition of independence more stringent** than the definition provided in that law. This definition has been adopted as a framework by means of the Board of Directors Rules of operation and includes among other requisites to be assessed, the relationships of any nature between the candidate to Independent Member with shareholders who are controlling or significant and their Related Parties, national and of other countries, and requires a double statement of independence: (i) of the candidate with respect to the company, its shareholders, and the Senior Management members articulated by the letter of acceptance of the candidate, and (ii) of the Board of Directors with respect to the candidate's independence.

16.5 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Item 2.1.5 of the Rules of operation of the Board of Directors, as incorporated into the Corporate Governance Code contains an independence criterion additional to those provided for in Law 964 of 2005 aimed at expanding the legal criteria applicable to Directors. The additional independence criterion establishes that the presuppositions provided by Law 964-2005 §44 will be examined with respect to the Director and their family relations understood as his or her spouse and relatives within the second degree of consanguinity, second degree of affinity, or single degree of in-law relationship.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	18 December 2015
Amendment Dates	

16.6. The company in its internal regulations considers that the Board of Directors, through its President supported by the Appointment and compensation committee or the body that fulfills its functions, is the most appropriate body to concentrate and coordinate in advance to the General Shareholders Meeting, the creation of the administration body. Thereby, shareholders who based on their equity participation aspire to belong to the Board of Directors can be informed of the needs of the Board of Directors and state their aspirations, negotiate the shareholding equilibriums and the distribution among different member categories, introduce their candidates, and accept the evaluation of the suitability of their candidates by the Appointment and compensation committee before voting at the General Shareholders Meeting.

16.6 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Appointments, Compensation and Ethics Committee will participate in the process of creation of the Board of Directors with the purpose of validating the parameters stated in the Succession Policy as provided in item 2.1.2 of the Corporate Governance Code. In turn, the Board of Directors will see to it that the process for nominating and electing the Directors be executed as provided in the Articles of Association and the Corporate Governance Code.</p>
<p>NO. Explain:</p>

N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	10 December 2015
Amendment Dates	

16.7. The Rules of operation of the Board of Directors provides that the evaluation of candidates suitability is an activity that takes place before holding the General Shareholders Meeting in such a way that the shareholders have enough information available (personal qualities, suitability, good standing, experience, integrity, etc.) about the candidates proposed to integrate the Board in sufficient advance for a proper evaluation.

16.7 Implements the Measure YES NO N/A

YES. Describe briefly:
 The Committee of Appointments, Compensation, and Ethics participates in the process of Board of Directors creation with the aim to confirm that the nominees have not fallen within any grounds for disqualification and/or incompatibility and that the criteria set forth in the succession policy of the Board of Directors are met.

NO. Explain:

N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	18 December 2015
Amendment Dates	

Measure No. 17: Functional structure of the Board of Directors

17.1. The Board of Directors Rules of operation provide that the Independent and Equity Members are always majority with respect to Executive Members, the number of which if the Board of Directors is created, constitutes the minimum necessary to service the information and coordination needs of the Board of Directors and Senior Management of the company.

17.1 Implements the Measure YES NO N/A

YES. Describe briefly:
 Item 2.1.5 of the Board of Directors Rules of operation incorporated into the Corporate Governance Code explicitly indicates that this body will be composed exclusively of independent and equity members.
 Senior Management officers attend the meetings of the Board of Directors according to topics addressed by the Board.

NO. Explain:

N/A. Specify the rulings that prevent adopting the recommendation:	
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Implementation Date	10 December 2015
Amendment Dates	

17.2. Based on the minimum percentage of twenty-five percent (25%) of Independent Members set in Law 964 of 2005, **the company analyzes and voluntarily adjusts upwards the number of Independent Members** taking into account among others that the number of independent members is related to the Floating Capital.

17.2 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Both principal and alternate Directors that comprise Titularizadora's Board of Directors fulfill the independence criteria stated in Law 964 of 2005, which brings the Company to having a number of independent members greater than the legal requirement. In addition, Titularizadora's shares are not listed on the stock exchange and therefore the number of independent members is not related in any way to the floating capital.</p>
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	10 December 2015
Amendment Dates	

Measure No. 18: Organization of the Board of Directors

18.1. **The functions of the Chair of the Board of Directors are stated in the Bylaws** and his/her main responsibilities are provided in recommendation 18.1.

18.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Article 34 in Titularizadora's Articles of Association establishes in general the functions of the Board of Directors Chair.</p>
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	18 December 2015
Amendment Dates	

18.2. The internal rules of the company contemplate the possibility that **the Board of Directors Chair receives a different treatment in respect of the other members** regarding both obligations and compensation, as a result of the scope of its specific functions and a greater dedication in time.

18.2 Implements the Measure YES NO N/A

YES. Describe briefly: Titularizadora's Articles of Association and Corporate Governance Code provide the possibility of a different treatment for the Chair of the Board of Directors.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	18 December 2015
Amendment Dates	

18.3. The Bylaws encompass the rules for appointment of the Secretary of the Board of Directors, among which the rules indicated in recommendation 18.3 stand out.

18.3 Implements the Measure YES NO N/A

YES. Describe briefly: The Articles of Association and the Corporate Governance Code provide the rules for the appointment of the Secretary of the Board of Directors, including the criteria indicated in this recommendation.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	13 July 2001
Amendment Dates	18 December 2015

18.4. The Board of Directors' Rules of operation establish the functions of the Secretary including those indicated in recommendation 18.4.

18.4 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Article 34 in the Articles of Association specifies the various functions of the Secretary of the Board of Directors including in general those mentioned in this recommendation.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	13 July 2001
Amendment Dates	18 December 2015

18.5. The Board of Directors has created an Appointment and compensation committee

18.5 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Board of Directors has created a committee named the Appointments, Compensation and Ethics Committee.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	13 July 2001
Amendment Dates	10 December 2015

18.6. The Board of Directors has created a Risk Committee

18.6 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Titularizadora has policies, procedures, and an organizational structure in place as required for the management, measurement, and control of the risks of market, credit, operation, and asset laundering and terrorism financing. Risk management includes the mechanisms necessary to guarantee a proper management of the risks inherent in the securitization process and considers that the creation of different specialized committees for supporting the Board of Directors in the assessment and monitoring of those risks is an essential tool, namely:</p> <p>Assets and Liabilities Management Committee "ALCO," whose functions include the assessment and</p>
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determination of the level of tolerance of the market risk, and the analysis and reporting of the risks of interest rate, currency, and mismatch, and the basic risk according to the authority set by the Board of Directors.

Credit Committee, the main function of which is recommending, managing, and controlling the credit/counterparty risk according to the authority established by the Board of Directors.

Investment Committee, the main tasks of which are to monitor the compliance with policies on the management and administration of the Company's liquid assets, to determine the policies on portfolio investment and risk coverage strategies, and to establish policies on treasury and counterparty risks for further approval of the Board of Directors.

SARO Committee, whose main tasks are to follow up and monitor the operating risk management system (SARO in Spanish), to supervise the proper application of operational policies, to issue an opinion about the reports submitted by the Operational Risk Official, and to analyze the implementation of SARO phases and performance of SARO elements.

The risk of asset laundering and terrorism financing is managed by the Compliance Officer supported by the different divisions and areas of the Company, reporting directly and permanently to the Board of Directors, which officer is responsible for evaluating and studying the actions taken by the Company to maintain the AL/TF risk levels within the limits set by the Board of Directors.

NO. Explain:

N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	13 July 2001
Amendment Dates	

18.7. The Board of Directors has created a Corporate Governance Committee

18.7 Implements the Measure YES NO N/A

YES. Describe briefly:
The Board of Directors created a committee named Corporate Governance Committee

NO. Explain:

N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	18 December 2015
Amendment Dates	

18.8. If the company deemed unnecessary to create all these committees, their functions have been distributed among the existing committees or have been taken on by the Board of Directors in full.

18.8 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Any functions not undertaken by the committees remain in Titularizadora's Board of Directors' responsibility according to the Articles of Association and the Corporate Governance Code.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	18 December 2015

18.9. Each of the Board of Directors' committees has its own Internal rules of operation that regulate in detail their composition, matters, functions, and operations, paying particular attention to the communication channels between the committees and the Board of Directors and, in the case of Conglomerates to the relationship mechanisms and coordination among the committees of the Board of Directors of the parent company and Subsidiaries, if any.

18.9 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Each committee has the composition, main functions, and general operation defined in the Corporate Governance Code, which have been included in the operation manuals of the Company.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	10 December 2015

18.10. The Board of Directors' Committees are composed solely by Independent or Equity Members of the Board of Directors, with at least three (3) members and presided by an Independent Member. In the case of the Appointment and compensation committee, Independent Members are always majority.

18.10 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain: Audit Committee and Investment Committee are comprised of three independent members. Appointments, Compensation and Ethics Committee and Corporate Governance Committee are each comprised of two members of the Board of Directors and the President of the Company. Currently, all the Board of Directors' members that belong to Committees are independent members.
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	
Amendment Dates	

18.11. Board of Directors' Committees may obtain the support, case by case or permanently, from Senior Management members with experience in the subject matter in their competence and/or from external subject matter experts.

18.11 Implements the Measure YES NO N/A

YES. Describe briefly: Titularizadora's Corporate Governance Code item 2.1.3.6 provides that the Committees may obtain support from Senior Management members for performing their functions or from third party subject matter experts.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	10 December 2015
Amendment Dates	

18.12. For the composition of Committees, the Board of Directors takes into consideration profiles, knowledge, and professional experience of the members with respect to the Committee subject matter.

18.12 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The composition of each such committee is established in the Company's Corporate Governance Code subsection 2.1.3.6, for which purpose the members profile, knowledge, and experience are taken into account.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	10 December 2015

18.13. The meetings of Committees are recorded on minutes of the meetings, a copy of which is submitted to all the members of the Board of Directors of the company. If the committees are empowered for making decisions, the minutes of the meetings comply with the requirements of Code of Commerce §§189 and 431.

18.13 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p>
<p>NO. Explain:</p> <p>The meetings of committees must be recorded on the minutes of the meeting, which must be shared with the members of the respective committee. Minutes of the Meeting abide with the criteria provided by the Code of Commerce.</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	
Amendment Dates	

18.14. Unless the legal or regulatory framework requires the creation of committees, in the case of Conglomerates the internal rules provide that the **Boards of Directors of Subsidiaries may decide not to create Committees** specifically for dealing with certain matters and that such tasks be taken on by the committees of the parent company's board of directors, without implying that they transfer to the parent company the responsibilities of the subsidiaries' boards of directors.

18.14 Implements the Measure YES NO N/A

YES. Describe briefly:	
NO. Explain:	
N/A. Specify the rulings that prevent adopting the recommendation:	
Titularizadora does not form part of a Conglomerate since it is not in a situation of control or enterprise group and therefore the laws and regulations governing this type of integration are not applicable to Titularizadora (Law 222 of 1995 §§26 et seq.)	
Implementation Date	
Amendment Dates	

18.15. The main task of the Audit Committee is to assist the Board of Directors in its oversight function by providing evaluation of accounting procedures, relationship with the statutory auditor (*Revisor Fiscal*) and in general, review of the Company's Control Architecture including the audit of the risk management system implemented by the company.

18.15 Implements the Measure YES NO N/A

YES. Describe briefly:	
The Audit Committee functions include assisting the Board of Directors in its oversight functions as provided in this recommendation (see Corporate Governance Code item 2.1.3.2).	
NO. Explain:	
N/A. Specify the rulings that prevent adopting the recommendation:	
Implementation Date	13 July 2010
Amendment Dates	

18.16. The members of the Audit Committee have the knowledge on accounting, finance, and related matters, which enable them to give their rigorous opinion about topics in the Committee's competence to a degree sufficient to understand the topics' scope and complexity.

18.16 Implements the Measure YES NO N/A

YES. Describe briefly:

The members of the Audit Committee are elected upon consideration of their profiles seeking that they are duly qualified for performing the functions assigned to them.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	13 July 2001
Amendment Dates	

18.17. As per the request of the Chair of the Shareholders Meeting, the **Chair of the Audit Committee informs the General Shareholders Meeting** about specific aspects of the committee's job such as the analysis of the scope and content of the Report of the statutory auditor.

18.17 Implements the Measure YES NO N/A

YES. Describe briefly:
At the ordinary session of the General Shareholders Meeting, the report of the Audit Committee is presented including results of evaluations of the Internal Control System and of the shareholders' requests regarding matters related to internal control. In like manner, Corporate Governance Code item 1.3.2. establishes the duty of the Chairs of the Committees to attend the Shareholders Meetings upon invitation by the President of the Company whenever any of the topics included in the agenda could require explanations potentially requested by shareholders, given the special or urgent nature of the meeting, or whenever any shareholders requested their attendance prior to holding the Meeting.
Finally, Titularizadora's shareholders have a more dynamic relationship with the Board of Directors and the Senior Management, Titularizadora being a Company not listed on the stock exchange, with a reduced number of shareholders (eight shareholders), and with an effective Shareholders Agreement.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	10 December 2015
Amendment Dates	

18.18. The internal rules of operation of the Audit Committee assign the committee the functions indicated in recommendation 18.18.

18.18 Implements the Measure YES NO N/A

YES. Describe briefly:
The internal rules of operation of the Audit Committee assign the committee the functions indicated in recommendation 18.18.

NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	17 April 2002
Amendment Dates	31 January 2010

18.19. The main purpose of the Appointment and compensation committee is supporting the Board of Directors in performing its functions about decisions and advisory related to appointment and compensation matters for the members of the Board of Directors and the Senior Management, as well as supervising the compliance with the Corporate Governance rules by reviewing periodically their compliance, recommendations, and principles (in those cases where this function is not explicitly assigned to another committee of the company).

18.19 Implements the Measure YES NO N/A

YES. Describe briefly:
According to Corporate Governance Code subsections 2.1.2 and 2.1.3.3., the Appointments, Compensation and Ethics Committee is responsible for supporting the Board of Directors in the evaluation of profiles and compensation of the members of the Board of Directors and Senior Management. Furthermore, under subsection 2.1.3.6., the primary function of the Corporate Governance consists in assisting the Board of Directors in overseeing the compliance with and implementation of the general Corporate Governance standards.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	13 July 2001
Amendment Dates	10 December 2015

18.20. Some of the Appointment and compensation committee members are knowledgeable in strategy, human resources, (recruitment and selection, engagement, training, management or administration of personnel), salary policy, and similar matters in a level sufficient for understanding the scope and complexity of those matters in the company.

18.20 Implements the Measure YES NO N/A

YES. Describe briefly:
Under the Corporate Governance Code, the members of the Appointments, Compensation and Ethics Committee are elected according to their profile, professional experience, and knowledge.

NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	17 April 2002
Amendment Dates	10 December 2015

18.21. As per the request of the Chair of the Shareholders Meeting, the Chair of the Appointment and compensation committee informs the General Shareholders Meeting about specific aspects of the committee's job such as the follow up of the compensation policies of the Board of Directors and Senior Management.

18.21 Implements the Measure YES NO N/A

YES. Describe briefly:
The Corporate Governance Code establishes the duty of the Chairs of the Committees to attend the Shareholders Meetings upon invitation by the President of the Company whenever any of the topics included in the agenda could potentially require explanations requested by shareholders, given the special or urgent nature of the meeting, or whenever any shareholders requested their attendance prior to holding the Meeting.
Finally, it is worth of noting that Titularizadora's shareholders have a more dynamic relationship with the Board of Directors and the Senior Management, Titularizadora being a company not listed on the stock exchange, with a reduced number of shareholders (eight shareholders), and they being party to an effective Shareholders Agreement.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	10 December 2015
Amendment Dates	

18.22. The internal rules of operation of the Appointment and compensation committee assigns the functions indicated in recommendation 18.22. to the committee.

18.22 Implements the Measure YES NO N/A

YES. Describe briefly:
The Appointments, Compensation and Ethics Committee's primary functions are defined in Titularizadora's Corporate Governance Code, which have been included in the operating manuals of the

Company. Such functions substantially comprise the main matters indicated in recommendation 18.22.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	17 April 2002
Amendment Dates	10 December 2015

18.23. The main purpose of the Risks Committee is to assist the Board of Directors in the fulfillment of its oversight obligations with respect to risk management.

18.23 Implements the Measure YES NO N/A

YES. Describe briefly: Risk control and management related functions are taken on directly by the Board of Directors in the Company, in the terms explained in answer 18.6. The Board of Directors has implemented a whole supporting structure for the fulfillment of its supervisory obligations with respect to risk management.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	13 July 2001
Amendment Dates	

18.24. As per the petition of the Chair of the Shareholders Meeting, the Chair of the Risk committee may inform the General Shareholders Meeting about specific aspects of the committee's job.

18.24 Implements the Measure YES NO N/A

YES. Describe briefly: The Corporate Governance Code establishes the Board of Directors Chair duty to attend the Shareholders Meetings upon invitation from the President of the Company whenever any of the topics included in the agenda could require explanations potentially requested by shareholders, given the special or urgent nature of the meeting, or whenever any shareholders requested their attendance prior to holding the Meeting.

Finally, it is worth of noting that Titularizadora's shareholders have a more dynamic relationship with the Board of Directors and the Senior Management, Titularizadora being a company not listed on the stock exchange, with a reduced number of shareholders (eight shareholders), and they being party to an effective Shareholders Agreement.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	10 December 2015
Amendment Dates	

18.25. With any necessary changes for making a distinction between companies of the finance sector or of the real sector and without prejudice to the functions assigned to this committee by the applicable laws and regulations, **the Internal Rules of the Risk Committee assign to this committee the functions established in recommendation 18.25.**

18.25 Implements the Measure YES NO N/A

YES. Describe briefly:
The Board of Directors is the body that undertakes the control and management of risks in Titularizadora, with supporting committees for the evaluation and monitoring of risks in the terms indicated in the answer of the recommendation 18.6. These committees have internal rules that substantially comprise the functions indicated in this recommendation.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	13 July 2001
Amendment Dates	

18.26. The main purpose of the **Corporate Governance Committee is to assist the Board of Directors in the fulfillment of its proposing and overseeing obligations with respect to Corporate Governance measures** adopted by the company.

18.26 Implements the Measure YES NO N/A

YES. Describe briefly:
Titularizadora's Corporate Governance Code subsection 2.1.3.6 provides the guidelines and functions of the Corporate Governance Committee, which include overseeing the Company's governance measures.

NO. Explain:	
N/A. Specify the rulings that prevent adopting the recommendation:	
Implementation Date	10 December 2015
Amendment Dates	

18.27. The internal rules of operation of the Corporate Governance Committee assign the committee the functions indicated in recommendation 18.27.

18.27 Implements the Measure YES NO N/A

YES. Describe briefly: The main functions of the Corporate Governance Committee are defined in Titularizadora's Corporate Governance Code, which have been included in the operation manuals of the Company. Such functions substantially comprise the main matters indicated in recommendation 18.27.	
NO. Explain:	
N/A. Specify the rulings that prevent adopting the recommendation:	
Implementation Date	10 December 2015
Amendment Dates	

Measure No. 19: Operation of the Board of Directors

19.1 The Chair of the Board of Directors with the support of the Secretary and the President of the company prepares the **Board of Directors' roadmap** for the period under evaluation, a tool that will enable the determination of a reasonable number and estimated length of the ordinary meetings per year.

19.1 Implements the Measure YES NO N/A

YES. Describe briefly:

The Board of Directors' Chair concurrently with the Company's President led the planning and preparing of the Board meetings schedule and agendas for 2015.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	01 January 2015
Amendment Dates	

19.2. Save for the entities subject to surveillance, which under the applicable laws are bound to hold at least one (1) meeting a month, **the Board of Directors of the company holds between eight (8) and twelve (12) ordinary meetings per year.**

19.2 Implements the Measure YES NO N/A

YES. Describe briefly:
Titularizadora's Board of Directors holds monthly meetings as per article 28 of the Articles of Association, whereby the Board holds meetings at least once a month on the dates determined by the Board itself, or whenever the President of the company, the statutory auditor, or two principal directors call a meeting.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	July 13, 2001
Amendment Dates	

19.3. The purpose of one (1) or two (2) meetings of the Board of Directors in the year **is clearly oriented towards the definition and followup of the company's strategy.**

19.3 Implements the Measure YES NO N/A

YES. Describe briefly:
The Board of Directors holds one or two meetings a year aimed at the Company's strategy definition and follow-up.
NO. Explain:

N/A. Specify the rulings that prevent adopting the recommendation:	
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Implementation Date	13 July 2001
Amendment Dates	

19.4. The Board of Directors approves a specific schedule of ordinary meetings without prejudice to holding special meetings as many times as deemed necessary.

19.4 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>At the last Board of Directors meeting of each year, a schedule of ordinary meetings for the following year is considered and approved.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	11 December 2014
Amendment Dates	

19.5. The notice of the meeting is sent to the members of the Board of Directors at least five (5) calendar days before the meeting accompanied by the documents or information associated with each item in the Agenda of the meeting, for the Directors to be able to participate dynamically and making reasoned decisions.

19.5 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p>
<p>NO. Explain:</p> <p>The notice of the meeting of the Board of Directors includes the proposed Agenda for each meeting (sent 15 days in advance) and any information available about the matters to be addressed is sent 5 days in advance.</p> <p>In any case, there are financial data, indicators, and studies, the consolidation of which entails a</p>

complexity that in some cases prevents the sending of the information 5 days in advance.
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	
Amendment Dates	

19.6. The Board of Directors Chair assumes along with the Board of Directors Secretary **the final responsibility for the Directors receiving the information sufficiently in advance** and for the information being useful. Therefore, quality rather than quantity will be essential in the set of documents to be delivered—the Board of Directors dashboard—.

19.6 Implements the Measure YES NO N/A

YES. Describe briefly: The Board of Directors' Chair and Secretary see to it that the information provided is useful and delivered in advance to the meetings.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	18 December 2015
Amendment Dates	

19.7. The final responsibility for preparing the Agenda of the Board of Directors' meetings corresponds to the Board of Directors Chair—not to the President of the company—and it is structured according to certain parameters that allow for the logical order in the presentation of subjects and discussions.

19.7 Implements the Measure YES NO N/A

YES. Describe briefly: The Board of Directors' Chair sees to it that the meetings, the agenda, the sequence in presentation, and the discussions are prepared appropriately with respect to the performance of the functions of the Board of Directors.
NO. Explain:

N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	13 July 2001
Amendment Dates	18 December 2015

19.8. The company makes public the Directors’ attendance to the meetings of the Board of Directors and its Committees in the Corporate Governance Annual Report and on the corporate website.

19.8 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain: Titularizadora did not prepare an annual report of corporate governance in 2015. Nevertheless, under the amendments to the Corporate Governance Code, said report will be made on an annual basis starting 2016.
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	
Amendment Dates	

19.9. Once a year the Board of Directors evaluates the efficacy of its job as a decision-making body, of its committees, and of each member individually considered—including peer evaluation—as well as the reasonability of their internal rules and the members’ dedication and performance, thus proposing as applicable changes to its organization and operation. In the case of conglomerates, the Board of Directors of the parent company requires that the evaluation be conducted on the subsidiaries’ boards of directors as well.

19.9 Implements the Measure YES NO N/A

YES. Describe briefly: Titularizadora’s Corporate Governance Code provides the obligation of conducting annual evaluations of the Board of Directors as a decision-making body and of each Director, and provides the evaluation mechanisms to be used by the Board of Directors, which may range between the self-assessment and an external advisor assessment.
NO. Explain:

N/A. Specify the rulings that prevent adopting the recommendation:	
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Implementation Date	10 December 2015
Amendment Dates	

19.10. The Board of Directors alternates the evaluation techniques between internal self-assessment and external evaluation by independent advisors.

19.9 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Corporate Governance Code item 2.1.4 allows for both the mechanisms indicated in recommendation 19.10 for the evaluation of the Board of Directors' members and as a decision-making body, which may vary depending on the methodology chosen by the Board for such purpose.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	10 December 2015
Amendment Dates	

Measure No. 20: Rights and duties of a Board of Directors' member

20.1. The Board of Directors' Rules of operation supplement what is provided in the legal framework with respect to rights and duties of the members of the Board of Directors.

20.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Board of Directors' rules of operation incorporated in Corporate Governance Code Chapter 2 include the rights and obligations of the Board of Directors' members as well as other parameters of operation and creation.</p>
<p>NO. Explain:</p>

N/A. Specify the rulings that prevent adopting the recommendation:
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Implementation Date	17 April 2002
Amendment Dates	10 December 2015

20.2. The Board of Directors' Rules of operation develop the company's understanding about the duties of the Board of Directors' members referred to in recommendation 20.2.

20.2 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Board of Directors' Rules of operation include the duties of its members, which match substantially those indicated in recommendation 20.2.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	10 December 2015

20.3. The Board of Directors' Rules of operation develop the contents of the duties of the Board of Directors' members as established in recommendation 20.3.

20.3 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Board of Directors' Rules of operation include the members' duties, which substantially match those indicated in recommendation 20.3.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	10 December 2015

Measure No. 21: Conflicts of Interest

21.1. The company is provided with a policy and a procedure defined and formalized in the internal rules for the awareness, management, and resolution of situations of conflict of interest, either directly or indirectly through Related Parties, which could affect the members of the Board of Directors and other Management.

21.1 Implements the Measure YES NO N/A

YES. Describe briefly: Titularizadora's Corporate Governance Code includes the policy and the procedure to be followed if a conflict of interest arises for any of the members of the Board of Directors and/or other managers.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	17 April 2002
Amendment Dates	10 December 2015

21.2. The procedure for conflicts of interest management makes a distinction—based on their nature—, between sporadic and permanent conflicts of interest. If the conflict of interest is sporadic, the applicable procedure indicates the rules and steps to be followed, which must be relatively easy to manage and hard to be eluded by the affected member. In the case of a permanent conflict of interest, the procedure considers that if this situation affects the company operation as a whole, it should be understood as a reason for the member to resign forcefully, because he or she could be prevented from exercising the position.

21.2 Implements the Measure YES NO N/A

YES. Describe briefly: The policy on conflict of interest included in the Corporate Governance Code establishes the criteria for identifying and managing sporadic and permanent conflicts of interest.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	10 December 2015
Amendment Dates	

21.3. Members of the Board of Directors, Legal Representatives, members of the Senior Management, and other management of the company **periodically inform the Board of Directors of any existing direct or indirect relationships** with each other or with other entities or structures that belong to the Conglomerate to which the issuer belongs, or with the issuer, providers, customers or any other Group of Interest, from which any situations of conflict of interest could arise or which could affect the direction of their opinion or vote, thereby building a "related parties map" of the Managers.

21.3 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Corporate Governance Code establishes the criteria applicable to members of the Board of Directors and Senior Management whenever operations with Related Parties take place. In like manner, based on the shareholding composition and the Board of Directors and Senior Management composition, the Company has built a map of Related Parties.</p> <p>Titularizadora Colombiana does not belong to a conglomerate and is not subject to control by any of its shareholders.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	

21.4. Situations of relevant conflict of interest understood as those where the affected member would be forced to abstain from a meeting and/or from voting, in which the members of the Board of Directors and other Management could find themselves, **are recorded on the public information** that the company publishes on its website on an annual basis.

21.4 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p>
<p>NO. Explain:</p> <p>During 2015, no situation of relevant conflict of interest arose. This information will be included in the Corporate Governance Report that will be prepared as from 2016.</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	
Amendment Dates	

21.5. For such purpose, the **Related Party (Parte Vinculada)** definition applicable to the company is **consistent with the International Accounting Standard No. 24 (IAS 24)**.

21.5 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Titularizadora applies under Decree 2784-2012 and Decree 3024-2013, other regulations issued by the Superintendencia Financiera de Colombia, and the international financial information standards, which include the standard IAS 24 mentioned in this measure.</p> <p>Titularizadora Colombiana does not belong to a conglomerate and is not subject to control by any of its shareholders.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	01 January 2015
Amendment Dates	

Measure No. 22: Transactions with related parties

22.1. The company has a policy that defines the specific procedure for the valuation, approval, and disclosure of the operations with Related Parties, including outstanding balances and relationships with each other, save in the case of operations subject to a specific regulation

22.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Company has a policy for operations with related entities or individuals, which is incorporated into the Corporate Governance Code.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	

22.2. The company's policy on operations with related parties addresses the aspects dealt with by recommendation 22.2.

22.2 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain:
The Company does not belong to a conglomerate and is not subject to control by any of its shareholders. Operations with related parties may be conducted only under transparent financial conditions that correspond with or are determined according to the market prices and conditions. Given the particulars of the securitization activity in which loan portfolio originators can be shareholders of the Company, the financial conditions determination corresponds to a decision-making body in which the Company executives and shareholders do not participate.
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	
Amendment Dates	

22.3 The policy provides that no express consent from the Board of Directors is required for recurrent related operations conducted in the ordinary course of business under adhesion contracts or overall master contracts, the conditions of which are perfectly standardized, applied massively, and performed at market prices set in general by whoever acts as a supplier of the good or service in question, which has an individual price not relevant to the company.

22.3 Implements the Measure YES NO N/A

YES. Describe briefly:
The operations mentioned in this recommendation do not require the Board of Directors' consent in accordance with the Company's documents.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	17 April 2002
Amendment Dates	

Measure No. 23: Compensation of the members of the Board of Directors

23.1. The company has a policy on the Board of Directors' compensation approved by the General Shareholders Meeting and revised each year, which **identifies all the compensating components that can effectively be fulfilled**. These components can be fixed or variable. They may include fixed fees for being a member of the Board of Directors, fees for attending the Board of Directors and/or its Committees' meetings and other emoluments of any type earned over the fiscal period for whichever reason, in cash or kind, as well as obligations taken on by the company in the matter of pensions or life insurance premium payment or for other respects, for both former and current members, as well as the insurance premiums for Directors & Officers Liability (D&O) insurance obtained by the company to the benefit of the members of the Board of Directors.

23.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>From time to time The Shareholders Meeting sets and reviews the criteria for compensation of the Board of Directors.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	

23.2. If the company adopts compensation systems by recognition of a variable component related to the company's good performance to the medium and long term, **the compensation policy incorporates limits to the amount** that may be distributed to the Board of Directors and, if the variable component is associated with the benefits of the company or other management indicators as of the closing of the period under evaluation, it must take into account any eventual qualifications included in the report of the statutory auditor and which could diminish the results of the period.

23.2 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p>
<p>NO. Explain:</p> <p>The members of Titularizadora's Board of Directors do not receive remuneration by recognition of a variable component associated with the good performance of the Company, only the compensation corresponding to a fixed component paid as sitting fees for attending meetings of the Board of Directors.</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	
Amendment Dates	

23.3. Equity and Independent members of the Board of Directors are expressly excluded of the compensation systems that incorporate equity options or a variable compensation associated with the absolute variation of the value of stock quotation.

23.3 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Neither independent Directors nor equity Directors in Titarizadora's Board of Directors has the possibility to be compensated with stock or by a variable retribution associated with the stock quote, given that the Company's stock is not listed on the stock exchange.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	

23.4. For each period under evaluation, in the framework of the policy on remuneration, the General Shareholders Meeting approves a limit for costs of the Board of Directors for all the compensation components approved.

23.4 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The limit of cost of the Board of Directors corresponds to the fees received by the Directors for their attendance to the Board or Committees' meetings. No additional component is included; therefore, the Shareholders Meeting approves a limit for Board of Directors' costs determined according to the number of meetings held per year and the attendance of Directors to those meetings.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	31 December 2002
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Amendment Dates	
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23.5. The total effective cost of the Board of Directors over the period under evaluation, including all the compensation components paid to the Directors and expense reimbursement, is known to the shareholders and published on the company's website, broken down and detailed to the level approved by the Board of Directors.

23.5 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The cost of the Board of Directors is included in the notes to the Company's financial statements as published on the Company website.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	31 December 2002
Amendment Dates	

Measure No. 24: The President of the Company and Senior Management

24.1. The company governance model establishes an effective separation of management or governance of the company (represented by the Board of Directors) and the Ordinary Course of Business (in the Senior Management's responsibility led by the company's President).

24.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Corporate Governance Code and the Articles of Association of Titularizadora clearly provide for the difference between Board of Directors as the body in charge of governing the company and Senior Management as responsible for the ordinary course of business.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	November 7, 2002
Amendment Dates	

24.2. In general, the policy of the Board of Directors consists in delegating the Ordinary Course of Business to the Senior Management team, focusing its activity in the general functions of strategy, oversight, governance, and control.

24.2 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The ordinary course of business is in the responsibility of the Company's Senior Management that is responsible for carrying out the activities necessary to execute the business strategy and in turn, the Board of Directors guides the corporate strategy and oversees a proper performance of the Senior Management.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	November 7, 2002
Amendment Dates	

24.3. As a general rule, Senior Management members are identified, evaluated, and designated directly by the company's President, given that they are his/her direct collaborators. As an alternative, **the company may decide that the Senior Management members be designated by the Board of Directors upon nominations by the company's President.** Regardless of whoever carries out the final designation, the candidates to hold key executive positions in the company are met and evaluated by the Appointment and compensation committee of the Board of Directors, which will issue their opinion.

24.3 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Senior Management members are designated upon consideration of the profile by the Board of Directors. The Appointments, Compensation and Ethics Committee of the Board of Directors is invited to participate in this process in order to receive their opinion, whenever the Board of Directors so requests.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	10 December 2015

24.4. The company has a clear policy on delegation of functions approved by the Board of Directors and/or a scheme of powers that allows knowing the empowerment degree vested in the President of the company and other Senior Management members.

24.4 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Company has a clear scheme of powers that allows knowing the degree of empowerment of the Senior Management. Each of the Senior Management members is provided with a manual of functions and rank in the Company.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	13 July 2001
Amendment Dates	18 December 2015

24.5. The Board of Directors, through the Appointment and compensation committee or the body that fulfills its functions, **once a year leads the performance evaluation of the company President** and knows the evaluations of the other Senior Management members.

24.5 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Appointments, Compensation and Ethics Committee is in charge of verifying the evaluation process of the Company's President and other Senior Management members, and make the relevant recommendations.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	10 December 2015

24.6. The company has a remuneration policy for the company President and other Senior Management members approved by the Board of Directors, which identifies all the retribution components that can effectively be paid, tied to the achievement of long-term goals and risk levels.

24.6 Implements the Measure YES NO N/A

YES. Describe briefly:
The Company has a remuneration policy for the Senior Management determined upon the criteria of the Board of Directors.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	17 April 2002
Amendment Dates	

24.7. If the company President’s remuneration includes a fixed component and a variable component, its technical design and method of calculation prevent the variable component to surpass the top limit established by the Board of Directors.

24.7 Implements the Measure YES NO N/A

YES. Describe briefly:
The variable component of the President's compensation may not exceed the maximum approved in the compensation policy as per the criteria defined by the Board of Directors in the Corporate Governance Code.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	July 13, 2001
Amendment Dates	

III. CONTROL ARCHITECTURE

Measure No. 25: Control Setting

25.1. The Board of Directors bears the ultimate responsibility for the existence of a solid control environment inside the company, adapted to its nature, size, complexity, and risks, so that it fulfills the presuppositions indicated in recommendation 25.1.

25.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Board of Directors has approved the risk management and control policies, which have been formalized and released to the entire organization. Likewise, the procedure manuals of the risk management systems applicable to the organization (namely SARM, SARO, and SARLAFT) provide the definition of functions and responsibilities of each party taking part in their application. Finally, the operating risks definition and assessment consider the risks associated with the strategic objectives and goals of the Company.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	31 July 2010
Amendment Dates	

25.2. In the case of Conglomerates, the Board of Directors of the Parent company will pursue the existence of a Control Architecture with a consolidated formal scope that encompasses all the Subsidiaries by setting responsibilities in respect of the policies and guidelines on this matter at the conglomerate level and defining clear reporting lines that allow to have a consolidated view of the risks to which the Conglomerate is exposed and the taking of control actions.

25.2 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p> <p>Titularizadora does not form part of a Conglomerate since it is not in a situation of control or enterprise group and therefore the laws and regulations governing this type of integration are not applicable to Titularizadora (Law 222 of 1995 §§26 et seq.)</p>

Implementation Date	
Amendment Dates	

Measure No. 26: Risk Management

26.1. The risk management objectives of the company are those provided for in recommendation 26.1.

26.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Titularizadora's risk management contemplates different objectives including those stated in this recommendation.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	30 April 2010
Amendment Dates	

26.2. The company has a risk map understood as a tool of identification and followup of financial and non financial risks to which the company is exposed.

26.2 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The strategic, operational, and asset laundering risk maps are defined. Financial risks are identified as a part of SARM.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	30 April 2010
Amendment Dates	

26.3. The Board of Directors is responsible for defining a risk management policy and setting top limits of exposure for each risk identified.

26.3 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>According to the applicable laws and regulations and to the internal rules and procedures, the risk management policies are approved by the Board of Directors including risk exposure limits.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	April 30, 2010

26.4. The Board of Directors knows and oversees periodically the effective exposure of the company to the top risk limits defined, and proposes corrective actions and followup in case of deviations.

26.4 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Board of Directors is periodically informed of the exposure levels and consequently evaluates management activity and proposes corrective and followup actions as required.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	

26.5. In the framework of the risk management policy, **Senior Management is the owner of the processes of and responsible for risk management**, that is to say for identifying, assessing, measuring, controlling, monitoring, and reporting risks by the definition of methodologies and ensuring that risk management is consistent with the defined strategy, risk policy, and top limits approved.

26.5 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Vice presidents and executives are responsible for the management of processes and application of methodology in the risk management, which includes identification, evaluation, measurement, control, monitoring, and periodic reporting to the corresponding committees and forums.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	

26.6. The company has a policy on risk delegation approved by the Board of Directors, which sets risk limits that may be managed directly by each level of the company.

26.6 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Board of Directors is responsible for approving the policies on risks and particularly approves the risk limits in accordance with the recommendations submitted by the committees designated for such purposes:</p> <ul style="list-style-type: none"> - Market limits – ALCO Committee and Investment Management Committee - Operational risk acceptance levels – SARO Committee - Asset laundering risk acceptance levels – Compliance Officer <p>Regarding the counterparty credit limits for investments, the Board of Directors authorized the Credit Committee for granting Credit limits up to a percentage of Titularizadora's net equity.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	

26.7. Risk management in Conglomerates must be consolidated aiming to contribute to the cohesion among and control of the companies that comprise a conglomerate.

26.7 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation: Titularizadora does not form part of a Conglomerate since it is not in a situation of control or enterprise group and therefore the laws and regulations governing this type of integration are not applicable to Titularizadora (Law 222 of 1995 §§26 et seq.)

Implementation Date	
Amendment Dates	

26.8. If the company has a complex and diversified structure of businesses and operations, **there is a Risk Manager position (CRO, Chief Risk Officer)** with authority across the Conglomerate in the case of integrated companies in situations of control and/or enterprise group.

26.8 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain: Considering the structure of the Company and the type of operations conducted under the securitization of mortgage and non-mortgage assets, it is not deemed necessary to have a Risk Manager responsible for the different systems applicable to Titularizadora. The management of market, operational, and asset laundering risks has a formal structure for operation and application, with officers responsible for their performance.
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	
Amendment Dates	

Measure No. 27: Control Activities

27.1. The Board of Directors is responsible for seeing to it that an adequate internal control system exists, adapted to the company and the company's complexity and consistent with the risk management currently in effect.

27.1 Implements the Measure YES NO N/A

YES. Describe briefly:	
The definition of policies and procedures in the internal control system of the company includes the formalization of the Board of Directors' responsibility for monitoring the internal control performance. The Board of Directors is periodically informed by the Management and the committees that support their activity, of the relevant internal control and risk management matters.	
NO. Explain:	
N/A. Specify the rulings that prevent adopting the recommendation:	

Implementation Date	17 April 2002
Amendment Dates	31 July 2010

27.2. The Board of Directors is responsible for overseeing the effectiveness and suitability of the internal control system that may be delegated to the Audit Committee, without being relieved from the oversight responsibility.

27.2 Implements the Measure YES NO N/A

YES. Describe briefly:	
The functions assigned to the Board of Directors include following up the performance of the internal control system carried out taking into account the periodical reports submitted by Management, Audit Committee, Statutory Auditor, and Internal Auditor.	
NO. Explain:	
N/A. Specify the rulings that prevent adopting the recommendation:	

Implementation Date	17 April 2002
Amendment Dates	31 July 2010

27.3. The company applies and enforces the self-control principle understood as the "ability of people who participate in different processes to deem control as inherent in their responsibilities, action fields, and decision making."

27.3 Implements the Measure

YES

NO

N/A

YES. Describe briefly:

Self-control activities to be performed by the company officers are established through performance management systems, ISO 9001 Quality Management, and application of Operational Risk methodology.

- The performance evaluation provides guidelines for strengthening the officers activities, visualized through the definition of individual goals aligned with the organizational objectives.

- The methodological display of the ISO 9001 Quality Management System provides directives and procedures applied in leveraging the continuous improvement activities of the processes associated with management indicators that allow for the assessment of their effectiveness.

- The operational risk system consolidates the results of the corrective actions and action plans carried out by management for adequate risk management, controls, and materialized risk events in the company.

NO. Explain:

N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	31 July 2010
Amendment Dates	

Measure No. 28: Information and Communication

28.1. Risk culture, philosophy, and policies are communicated downwards and horizontally in the company, along with the approved exposure limits, in such a way that the organization as a whole takes into account the risks and control activities in its business.

28.1 Implements the Measure

YES

NO

N/A

YES. Describe briefly:

The company applies policies and procedures defined by the Internal Control System to achieve an adequate information and communication of the corporate values, strategic goals, organizational culture, and risk management, amongst other elements.

The outreach of risk management policies and procedures is performed at all levels in the company. In particular, through induction and training plans, relevant aspects of the operational risk, fraud risk, and asset laundering risk are presented to the company officers.

The elements related to market risk and credit risk are communicated to the areas and officers with specific responsibilities in those respects.

NO. Explain:

N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	17 April 2002
Amendment Dates	31 July 2010

28.2. The company has a **mechanism of reporting information upwards** (to Board of Directors and Senior Management), which is accurate, understandable, and thorough, providing support and allowing for informed decision making, and risk management and control.

28.2 Implements the Measure YES NO N/A

YES. Describe briefly:

The communication and reporting mechanisms of the Company allow for an adequate and timely supply of information to the Senior Management with respect to the performance of company as to strategic, financial, and operational goals and aspects related to risk control and management.

Mechanisms. Meetings:

- Board of Directors
- Business Committee, review of goals, budgets, business strategies
- ALCO Committee, Credit Committee, follow up of portfolio management, counterparty quotas, credit
- Executive committee, evaluation and follow up of corporate and area goals

Reports:

- Goal achievement and budget implementation
- Financial information (monthly financial statements)
- Market risk reports – SARM

NO. Explain:

N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	17 April 2002
Amendment Dates	

28.3. The **information communication and reporting mechanism** of the company allows: (i) Senior Management to involve the company as a whole by highlighting their responsibility in face of risk management and

definition of controls, and (ii) company personnel to understand their role in risk management and control identification as their individual contribution with respect to the others' jobs.

28.3 Implements the Measure YES NO N/A

YES. Describe briefly:	
<p>Titularizadora's officers learn their role in the organization and the Internal Control System, and their responsibilities regarding the application of risk management and control policies and procedures through the Corporate Governance Code, the Ethics Code, and the manual of functions and processes.</p> <p>In turn, each process includes procedures designed and applied as required for guaranteeing the quality, timeliness, truthfulness, sufficiency, and in general the compliance with all the internal control system requisites, including risk evaluation, identification and control.</p>	
NO. Explain:	
N/A. Specify the rulings that prevent adopting the recommendation:	

Implementation Date	17 April 2002
Amendment Dates	

28.4. There exist internal hotlines for anonymous reporting or whistleblowers that enable employees for communicating anonymously any illegal or unethical behaviors which may breach the culture of management of risks and controls in the company. The Board of Directors of the company receives and knows these reports.

28.4 Implements the Measure YES NO N/A

YES. Describe briefly:	
<p>Titularizadora Colombiana has defined a "<i>Canal de Transparencia</i>" (Transparency channel) as a tool for Company's officers to submit suggestions and report in a fully safe way and guaranteeing anonymity about situations that in their judgment may affect the Company's interests.</p> <p>Whenever any reports are received by this means, they are analyzed by the President's office and the Internal Auditor, then a report is submitted to the Audit Committee and, according to the criticality level, it is submitted to the Board of Directors.</p>	
NO. Explain:	
N/A. Specify the rulings that prevent adopting the recommendation:	

Implementation Date	30 December 2009
Amendment Dates	

Measure No. 29: Control architecture monitoring

29.1. In the company, the Board of Directors through its Audit Committee is responsible for overseeing the effectiveness of the different components of the Control Architecture.

29.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Audit Committee, by the periodic reports received from Management, statutory auditor, external audit, and internal control function, knows of the performance of the internal control system. By the assessment outcomes from the audit plans approved for the year, the Audit Committee verifies the adequacy of the definition and application of the policies and internal control elements, the compliance with the applicable laws and regulations about risk management, and the control procedures adopted for the preparation, creation, and presentation of the financial information.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	31 January 2010

29.2. In the company, the monitoring task aimed to provide the effectiveness assurance of the Control Architecture involves mainly the internal auditor in collaboration with the statutory auditor in matters of their competence and in particular regarding financial information generated by the company.

29.2 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The process of review and verification of the internal control system performance including what concerns to the financial information is performed by the Company's statutory audit, internal auditor, and the external auditor assigned to the <i>universalidades</i>.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	

29.3. The company's internal audit function has an Internal Audit Charter approved by the Audit Committee, which includes explicitly the scope of its functions in this regard, and should include the topics indicated in recommendation 29.3.

29.3 Implements the Measure

YES

NO

N/A

YES. Describe briefly:

The Internal Control function has a document called Internal Audit Charter, which determines the scope and responsibilities of the function as to evaluation of the internal control system and risk management, and establishes criteria for independence and objectivity required from the internal auditor.

NO. Explain:

N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	9 December 2010
Amendment Dates	

29.4. The foremost responsible for internal audit keeps a relationship of professional independence with respect to the Senior Management of the company or conglomerate that hired him or her, through their exclusive functional dependence of the Audit Committee.

29.4 Implements the Measure

YES

NO

N/A

YES. Describe briefly:

The Company has determined that in order to guarantee the independence of the Internal Control area, its Director functionally reports to the Audit Committee and administratively reports to the President.

NO. Explain:

N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	17 April 2002
Amendment Dates	

29.5. In the company the appointment and removal of the officer responsible for the internal audit is in the Board of Directors' responsibility upon nominations from the Audit Committee and their removal or resignation is communicated to the market.

29.5 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Internal Audit Director is appointed by the Board of Directors.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	31 January 2011
Amendment Dates	

29.6. The Statutory Auditor of the company or conglomerate keeps a clear independence from the company or Conglomerate, a condition that must be declared in the respective audit report.

29.6 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Statutory Auditor’s opinions describe the functions and responsibilities that the Statutory Auditor carries out under the applicable laws and regulations and particularly, as per the provisions of External Circular 054-2008.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	31 December 2001
Amendment Dates	

29.7. If the company acts as the Parent company of a Conglomerate, the statutory auditor is the same for all the companies including offshore companies.

29.7 Implements the Measure YES NO N/A

YES. Describe briefly:	
NO. Explain:	
N/A. Specify the rulings that prevent adopting the recommendation:	
Titularizadora does not belong to a Conglomerate since it is not in a situation of control or enterprise group and therefore the laws and regulations governing this type of integration are not applicable to Titularizadora (Law 222 of 1995 §§26 et seq.)	
Implementation Date	
Amendment Dates	

29.8. The company has a policy for Statutory Auditor appointment approved by the Board of Directors and divulged among the Shareholders, which includes the provisions set in recommendation 29.8.

29.8 Implements the Measure YES NO N/A

YES. Describe briefly:	
The Corporate Governance Code of the Company establishes that the Statutory Audit of the Company will be carried out by a firm of internationally renowned independent public accountants in excellent good standing. Neither the statutory auditor nor its alternate may be shareholders of the Company or have any marriage link with; or be relatives within the fourth degree of consanguinity, first degree of in-law relationship, or second degree of affinity of; or have any business relation with the managers and officers with a position of trust within the Company.	
NO. Explain:	
N/A. Specify the rulings that prevent adopting the recommendation:	
Implementation Date	17 April 2002
Amendment Dates	10 December 2015

29.9. With the purpose of avoiding excessive relations of the company and the statutory audit firm and/or their teams, and keeping its independence, **the company sets a limit to the contract term between five (5) and ten (10) years.** In the case of the Statutory Auditor being an **individual not related to a firm, the maximum contract term is five (5) years.**

29.9 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Company provides in their Articles of Association and the Corporate Governance Code that the Statutory Auditor will be appointed by the General Shareholders Meeting for a two year term and may be reelected for no longer than a ten year term.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	10 December 2015

29.10. Within the maximum contract term, the company **promotes the turnover of the Statutory Audit firm partner assigned to the company** and his/her work teams, at the middle of the term at the end of which the change of firm will be mandatory.

29.10 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The statutory audit firm partner and his/her work team will be replaced at half the longest contract term for the statutory audit firm, that is to say every five years.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	10 December 2015
Amendment Dates	

29.11. In addition to the current prohibition of not engaging **the Statutory Auditor for any professional services** other than the financial audit and other functions set out in the applicable laws and regulations, the company extends this limitation to individuals or legal entities related to the Statutory Audit firm including its group's enterprises and any companies that show a significant match of partners and/or management to the Fiscal Audit firm.

29.11 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Corporate Governance Code states the prohibition of engaging the statutory auditor for professional services other than those related to finance auditing, and engaging any individual or legal entity related to the Statutory Audit firm.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	10 December 2015
Amendment Dates	

29.12. The public information of the **company discloses the total contract price with the Statutory Auditor** and the percentage represented by fees paid by the company with respect to the total revenues of the firm in respect of its statutory auditing activity.

29.12 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The notes to the financial statements disclose the total sum paid as fees of the Statutory Auditor and the website informs the percentage those fees represent.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	31 December 2001
Amendment Dates	

V. TRANSPARENCY AND FINANCIAL AND NON-FINANCIAL INFORMATION

Measure No. 30: Information disclosure policy

30.1. The Board of Directors approved the information disclosure policy, which identifies at least the information dealt with by the recommendation.

30.1 Implements the Measure YES NO N/A

YES. Describe briefly: The Corporate Governance Code establishes mechanisms for information disclosure and assurance of top quality and representativeness of the information disclosed. It also identifies any entities that may require information and the procedure for qualification of the information requested.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	17 April 2002
Amendment Dates	

30.2. In the case of Conglomerates the information disclosure to third parties is integral and transversal with respect to the group of companies, thus allowing the external third parties to build an opinion based on reality, organization, complexity, activity, size, and governance model of the Conglomerate.

30.2 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation: Titularizadora is not a part of a Conglomerate since it is not in a situation of control or enterprise group and therefore the laws and regulations governing this type of integration case are not applicable to Titularizadora (Law 222 of 1995 §§26 et seq.)

Implementation Date	
Amendment Dates	

Measure No. 31: Financial Statements

31.1. If the Statutory Auditor's report bears any *qualifications*, the chair of the Audit Committee will present an opinion on both the qualifications and the actions proposed by the company to cure this situation to the shareholders attending the General Shareholders Meeting.

31.1 Implements the Measure YES NO N/A

YES. Describe briefly: The Audit Committee Chair will present the shareholders with the opinion on the qualifications included in the report of the Statutory Auditor in accord with the Company's practices.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	27 July 2006
Amendment Dates	

31.2. If the Board of Directors decides to keep its criteria with respect to the Statutory Auditor's qualifications and/or emphases of matter, this position is properly explained and justified in a written report addressed to the General Shareholders Meeting, specifying the content and scope of the difference.

31.2 Implements the Measure YES NO N/A

YES. Describe briefly: The report of the Financial Statements ending the fiscal period presented by the Board of Directors to the General Shareholders Meeting includes the corresponding explanations and justifications in case of qualifications and/or emphases of matter from the Statutory Auditor in accordance with the practices of the Company.
NO. Explain:
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	31 December 2002
Amendment Dates	

31.3 Operations with or between Related Parties, including operations between Conglomerate's companies which through objective parameters such as volume of the operation, percentage on assets, sales, or other

indicators the company deems as material, **are reported in detail in the public financial information; offshore operations conducted are mentioned as well.**

31.3 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Report of Activities and the Notes to Financial Statements include information about operations with related parties.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	31 December 2002
Amendment Dates	

Measure No. 32: Information for the Markets

32.1. In the framework of the policy on information disclosure, the Board of Directors—or the Audit Committee—**adopts the measures required to ensure that the financial markets and capital markets are transmitted all the financial and non financial information about the company** that the applicable laws and regulations require, in addition to all the information deemed relevant to investors and customers.

32.1 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Corporate Governance Code addresses the information disclosure. The principles of transparency, openness, and equity in the information disclosure are mentioned and the importance of disclosing information about the company and the issues is established, aiming at the accuracy in the investors' risk assessment. The processes that provide information to the market include the design and implementation of the controls necessary to guarantee reasonably an adequate publication of the information. Those controls are subject to the Internal Audit and the Statutory Audit validation in the execution of their annual plans of review with reporting to the Audit Committee.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	17 April 2002
Amendment Dates	

32.2. The company website is friendly arranged for the user to access easily the information associated with or related to the Corporate Governance.

32.2 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Company was awarded the "Issuers IR Recognition" by the Colombian Stock Exchange BVC, which certifies the adoption of best practices for information disclosure and relationship with investors.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	31 December 2002
Amendment Dates	30 September 2013

32.3. The company's website includes at least the links dealt with by recommendation 32.3.

32.3 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>Titularizadora's website provides links to About the Company, Shareholders, Relationships with Investors, Corporate Governance, and Sustainability. The website offers sufficient information about the company and the issues, in accordance with the requirements of the IR Issuer Recognition granted by the Stock Exchange. This information is provided through different links across the website.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	31 December 2002
Amendment Dates	31 July 2013

32.4. The supports to communicate information to the markets, which the company uses in general, **are documents that can be printed, downloaded, and shared.**

32.4 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The information and attached files available on the website can be printed, downloaded, and shared.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	31 December 2002
Amendment Dates	

32.5. If the company is a business of considerable size and complexity, once a year it publishes on its website an **explanatory report on the organization, methods, and procedures of the Control Architecture** implemented with the purpose of providing accurate and safe financial and non financial information, and safeguarding the company's assets and the efficiency and security of its operations. The information about the Control Architecture is supplemented by a risk management report.

32.5 Implements the Measure YES NO N/A

<p>YES. Describe briefly:</p> <p>The Company is not of considerable size or complexity, but in the Management Report published on the website, provides the reports on the organization, control architecture, and risk management.</p>
<p>NO. Explain:</p>
<p>N/A. Specify the rulings that prevent adopting the recommendation:</p>

Implementation Date	31 December 2005
Amendment Dates	31 December 2011

Measure No. 33: Corporate Governance Annual Report

33.1. The company prepares a Corporate Governance Report once a year; the Board of Directors is responsible for the contents of this report, which upon prior review and favorable opinion of the Audit Committee, is presented together with all the other documents of the fiscal period closing.

33.1 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain: Titularizadora adopted the recommendation of <i>Codigo Pais</i> and made changes to the Corporate Governance Code, which will be prepared once a year since 2016.
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	
Amendment Dates	

33.2. The Annual Corporate Governance Report of the company is not a mere transcription of the Corporate Governance rules included in the Bylaws, internal rules of operation, corporate governance codes, or other corporate documents. Its purpose is not describing the company governance model, but explaining the real environment of its operation and relevant changes occurred during the fiscal period.

33.2 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain: Titularizadora adopted the recommendation of <i>Codigo Pais</i> and made changes to the Corporate Governance Code, which will be prepared once a year since 2016.
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	
Amendment Dates	

33.3. The Annual Corporate Governance Code of the company contains the information as of the closing of the fiscal period **describing how throughout the year the company complied with the Corporate Governance recommendations adopted by the company and the main changes made.**

The structure of the Annual Corporate Governance Report of the company is aligned with the schema contemplated in recommendation 33.3.

33.3 Implements the Measure YES NO N/A

YES. Describe briefly:
NO. Explain: Titularizadora adopted the recommendation of <i>Codigo Pais</i> and made changes to the Corporate Governance Code, which will be prepared once a year since 2016.
N/A. Specify the rulings that prevent adopting the recommendation:

Implementation Date	
Amendment Dates	