



**ORDINARY GENERAL SHAREHOLDERS' MEETING**

**ITEM 12 OF THE AGENDA**

**BYLAWS REFORM READING AND APPROVAL**

**THE BOARD OF DIRECTORS CONSIDERING THAT:**

1. ISA is committed to the compliance of Corporate Governance Best Practices, and therefore new standards that could be incorporated in our corporate documents were reviewed to continue increasing the Good Corporate Governance that characterizes ISA and to continue protecting shareholders and investors.
2. In line with the highest international standards, the Company's Management and Board of Directors find it relevant to formalize in the Corporate Bylaws the good practice existing in the Company of having the Board of Directors and the Board's Committees chaired by an independent member and offering a better remuneration to the Chairman of the Board of Directors, given the higher dedication and responsibility required by such position.
3. In line with the highest international standards, the Company's Management and Board of Directors find it relevant to formalize in the Corporate Bylaws the good practice existing in the Company of planning and managing the selection process for ISA's CEO with the support of the Organizational Talent Committee or whoever acts as such and with the advice of a company specialized in selecting and hiring executives ("Headhunter").
4. It is required to exceptionally allow for contracting additional audit services with the statutory auditor, which do not create conflict of interest or affect the independence of said statutory auditor.

**PROPOSES:**

- To approve the Corporate Bylaws reform, which modifies articles 27, 28, 37, 42 and 46 of Corporate Bylaws.

<b>BYLAWS REFORM COMPARATIVE</b>	
<b>CHAPTER VI: OF THE BOARD OF DIRECTORS</b>	
<b>ARTICLE TWENTY-SEVEN: BOARD OF DIRECTORS:</b> ISA's Board of Directors will be comprised by nine (9) members, without alternates, for a one (1) year period, who could be reelected or removed at any time by the General Shareholders' Meeting. Board of Directors members will be appointed considering the	<b>ARTICLE TWENTY-SEVEN: BOARD OF DIRECTORS:</b> ISA's Board of Directors will be comprised by nine (9) members, without alternates, for a one (1) year period, who could be reelected or removed at any time by the General Shareholders' Meeting. Board of Directors' members will be appointed considering the



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electoral quotient and following the professional competence criteria, suitability and recognized moral solvency. No employee of the Company could be a member of the Board of Directors. The designation as a member of ISA's Board of Directors may be made personally or to a given position. The General Shareholders' Meeting when creating the Board of Directors, will elect at least five (5) independent members. It will be considered independent who, in addition to complying with the requirements for independence established by law 964 of 2005 and additional regulations which modify it or replace it, meets the following conditions: 1) Neither this member nor his/her Close Relatives are employees or executives of ISA or any of its subsidiaries or affiliates or parent (Nation), nor have they had such quality during the year immediately prior to the appointment, except in the case of re-election of an independent person. 2) Is not a shareholder of ISA who directly or under Convention addresses, guides or controls the majority of the voting rights of ISA, or who determines the majority of the structure of administration, management or control bodies of ISA. 3) The member or his close relatives are Partners or employees of associations or societies that provide services or goods to ISA, or enterprises belonging to its corporate group, when revenues regarding these services represent for them twenty percent (20%) or more of their operating revenues. 4) Neither this member nor his/her Close Relatives are employees or directors of a foundation, association or society which receives important donations from ISA. Important donations are those representing more than twenty percent (20%) of the total donations received by the corresponding institution. 5) Neither this member nor his/her Close Relatives are administrators of a company whose Board of Directors includes a legal representative of ISA. 6) Does not receive any compensation from ISA other than the fees as a member of the Board of Directors, the Audit Committee or any other Committee established by the Board of Directors. 7) Neither this member nor his Close Relatives are partners or employees of the statutory auditor firm or external audit which audits ISA or its subsidiaries and affiliates and personally work in the audit of said companies. Close relatives will be understood as: spouses or permanent partners, relatives up to the third degree of consanguinity, second of affinity and sole civil relation.

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The foregoing independence requirements are established without prejudice to the inabilities and incompatibilities applicable to the contracting of ISA as a Mixed Private-Public Utilities Company.

**FIRST PARAGRAPH:** The Board of Directors will choose among its members the person to preside over meetings. The Chairman of the Board of Directors will submit a report on the functioning of the Board before the General Shareholders' Meeting.

**SECOND PARAGRAPH:** The members of the Board of Directors will perform a self-assessment according to mechanisms defined by the same Board of Directors, without prejudice to other evaluation mechanisms determined by it. The Chairman of the Board of Directors shall inform the General Shareholders' Meeting, the results of this evaluation.

**THIRD PARAGRAPH:** The Board of Directors may create Committees coordinated by the Company's CEO, to study and submit for consideration by the Board issues of importance to the Company. The Board may by unanimous decision delegate committees with the deciding authority, not exceeding the Board's faculties.

**ARTICLE TWENTY-EIGHT: CHAIRMAN AND SECRETARY OF THE BOARD OF DIRECTORS:**

The Board of Directors will choose among its members the person to preside over meetings. The Company's Chief Legal Officer or whoever acts as such is the Secretary of the Board of Directors. The duties of the Chairman of the Board are as follows:

- 1) To ensure that the Board sets and efficiently implements the Company's strategic direction.
- 2) To promote the Company's governance action, performing as a liaison between shareholders and the Board.
- 3) To coordinate and plan the operation of the Board of Directors by establishing an annual work plan based on the assigned functions.
- 4) To perform the convening of meetings, directly or through the Board's Secretary.
- 5) To prepare the agenda of the meetings, in coordination with the Company's CEO, the Board's Secretary, and the other members.

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**SECOND PARAGRAPH:** The members of the Board of Directors will perform a self-assessment according to mechanisms defined by the same Board of Directors, without prejudice to other evaluation mechanisms determined by it. The Chairman of the Board of Directors shall inform the General Shareholders' Meeting, the results of this evaluation.

**THIRD PARAGRAPH:** The Board of Directors may create Committees coordinated by the Company's CEO and **chaired by an independent member** to study and submit for consideration of the Board, issues of importance to the Company. The Board may by unanimous decision, delegate committees with the deciding authority, not exceeding the Board's faculties.

**ARTICLE TWENTY-EIGHT: CHAIRMAN AND SECRETARY OF THE BOARD OF DIRECTORS:**

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- 2) To promote the Company's governance action, performing as a liaison between shareholders and the Board.
- 3) To coordinate and plan the operation of the Board by establishing an annual work plan based on the assigned functions.
- 4) To perform the convening of meetings, directly or through the Secretary of the Board.



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<p>6) To ensure delivery of information to Board of Directors' members, in a timely and proper manner, directly or through the Board's Secretary.</p> <p>7) To declare the session open once the quorum is verified.</p> <p>8) To preside over the Board meetings.</p> <p>9) To monitor the active participation of Board members.</p> <p>10) To manage the debates and submit questions to the vote when he/she deems them sufficiently analyzed.</p> <p>11) To close the session at the end of the meeting agenda.</p> <p>12) Ensure the implementation of the resolutions of the Board and to follow up on their orders and decisions.</p> <p>13) To lead the annual evaluation process of the Board and Committees, except their own assessment.</p> <p>14) To sign communications that originate from the Board.</p> <p>15) To submit to the General Shareholders' Meeting a report on the Board's functioning, at each regular session, including the following: a) meetings actually held and their periodicity. b) Attendance at Board of Directors' meetings by each member. c) Main issues discussed at Board of Directors' Meetings. d) Conflicts of interest. e) Board Committees. f) Results of self-assessment of each Board member or other evaluation mechanisms established by it.</p> <p>(...)</p>	<p>5) To prepare the agenda of the meetings, in coordination with the Company's CEO, the Secretary of the Board and the other members.</p> <p>6) To ensure delivery of information to Board of Directors' Members in a timely and proper manner, directly or through the Board's Secretary.</p> <p>7) To declare the session open once the quorum is verified.</p> <p>8) To preside over the Board meetings.</p> <p>9) To monitor the active participation of Board members.</p> <p>10) To manage the debates and submit questions to the vote when he/she deems them sufficiently analyzed.</p> <p>11) To close the session at the end of the meeting agenda.</p> <p>12) To ensure the implementation of the resolutions of the Board and to follow up on their orders and decisions.</p> <p>13) To lead the annual evaluation process of the Board and Committees, except their own assessment.</p> <p>14) To sign communications that originate from the Board.</p> <p>15) To submit to the General Shareholders' Meeting a report on the Board's functioning, at each regular session, including the following: a) meetings actually held and their periodicity b) Attendance at Board of Directors' meetings by each member. c) Main issues discussed at Board of Directors' Meetings. d) Conflicts of interest. e) Board Committees. f) Results of self-assessment of each Board member or other evaluation mechanisms established by it.</p> <p>(...)</p> <p><b>PARAGRAPH: The General Shareholders' Meeting will be allowed to establish a specific remuneration for the Chairman of the Board of Directors and the Board Committees' Chairmen, considering the special responsibilities and greater dedication required for these positions.</b></p>
<b>CHAPTER VII: OF THE CEO AND OTHER PROVISIONS</b>	
<p><b>ARTICLE THIRTY-SEVEN: ISA'S CEO:</b> The direction of the Company's Management and Legal Representation will be in charge of the CEO, who will be elected by the Board of Directors. In the CEO's absolute, temporary or accidental absences, the Company's executives determined by the Board of Directors will replace him/her.</p>	<p><b>ARTICLE THIRTY-SEVEN: ISA'S CEO:</b> The direction of the Company's Management and Legal Representation will be in charge of the CEO, who will be elected by the Board of Directors <b>through a selection process planned and managed by the Organizational Talent Committee or whoever acts as such, and with the advice of a company specialized in selecting and hiring</b></p>



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<p><b>FIRST PARAGRAPH:</b> For the purposes of the judicial legal representation of the Company, the attorneys designated by the Board of Directors will also act as Legal Representatives. They will represent the Company before jurisdictional, administrative and police authorities.</p> <p><b>SECOND PARAGRAPH:</b> The managers defined in Article thirty-nine (39) of these Bylaws, could also be Legal Representatives, and will be appointed by the Board of Directors to represent the Company in particular businesses.</p>	<p><b>executives (“Headhunter”).</b> In the CEO’s absolute, temporary or accidental absences, the Company’s executives determined by the Board of Directors will replace him/her.</p> <p><b>FIRST PARAGRAPH:</b> For the purposes of the judicial legal representation of the Company, the attorneys designated by the Board of Directors will also act as Legal Representatives. They will represent the Company before jurisdictional, administrative and police authorities.</p> <p><b>SECOND PARAGRAPH:</b> The managers defined in Article thirty-nine (39) of these Bylaws, could also be Legal Representatives, and will be appointed by the Board of Directors to represent the Company in particular businesses.</p>
<p><b>ARTICLE FORTY-TWO: FUNCTIONS:</b> The Company’s CEO will be in charge of: 1) Executing and enforcing all operations and authorizations included in the business purpose. 2) Entering into and signing contracts and obligations of the Company, within the criteria authorized by the Bylaws herein or by the Board of Directors, delegate their execution and decentralize contracting since the precontractual stage, according to the rules of procedure issued by the Board of Directors regarding contracting. The CEO could delegate the authorization of expenditures and payments on employees in positions at the executive level.</p>	<p><b>ARTICLE FORTY-TWO - FUNCTIONS:</b> The Company’s CEO will be in charge of: 1) Executing and enforcing all operations and authorizations included in the business purpose. 2) Entering into and signing contracts and obligations of the Company, within the criteria authorized by the Bylaws herein or by the Board of Directors, delegate their execution and decentralize contracting since the precontractual stage, according to the rules of procedure issued by the Board of Directors regarding contracting. The CEO could delegate the authorization of expenditures and payments on employees in positions at the executive level <b>in ISA or its companies.</b></p>
<p><b>CHAPTER VIII: OF THE STATUTORY AUDITOR AND THE SPECIALIZED AUDITS.</b></p>	
<p><b>ARTICLE FORTY-SIX: PROHIBITION:</b> The Fiscal Auditor may not contract professional services other than those of the own financial audit and other functions recognized in the current regulations. This prohibition extends to persons or entities related to the Statutory Auditor’s firm, which include companies within its group, as well as companies with a broad coincidence of its partners or administrators with those of the Statutory Auditor’s firm.</p>	<p><b>ARTICLE FORTY-SIX: PROHIBITION:</b> The Fiscal Auditor may not contract professional services other than those of the own financial audit and other functions recognized in the current regulations. This prohibition extends to persons or entities related to the Statutory Auditor’s firm, which include companies within its group, as well as companies with a broad coincidence of its partners or administrators with those of the Statutory Auditor’s firm.</p> <p><b>Additional audit services could be contracted exceptionally and after the approval of internal auditors of the ISA Group’s Company interested, and of ISA’s Corporate Audit. In any case, only additional audit services that do not create conflict of interest or that do not affect</b></p>



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	<p>the independence of the Statutory Auditor could be contracted.</p> <p>Additional audit services that are contracted will have to be informed to ISA's audit committee.</p>
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