

Republic of Colombia

**PARTIAL AMENDMENT AND COMPILATION OF CORPORATE BYLAWS OF INTERCONEXIÓN ELÉCTRICA S.A. E.S.P.**

**PUBLIC DEED NUMBER SEVEN HUNDRED AND FOUR (704)**

In the municipality of Sabaneta, Province of Antioquia, Republic of Colombia, on the twenty-eighth (28<sup>th</sup>) day of April of year two thousand fourteen (2014), before me, **MARTHA LUCIA CUARTAS VANEGAS**, Single Notary Public of the Notary Circle of Sabaneta (Antioquia) appeared **LUIS FERNANDO ALARCÓN MANTILLA**, of age, domiciled in Medellin, identified with citizen ID 19.144.982 issued in Bogotá and stated:

**FIRST:** That he is acting in his capacity as Chief Executive Officer and Legal Representative of **INTERCONEXIÓN ELÉCTRICA S. A. E. S. P. ISA E. S. P.**, a mixed ownership public utility company with main offices located in Medellin, established as business corporation by Public Deed No. 3.057 of September 14, 1967 of the Eighth Notary Public Office of Bogotá, and registered on July 1<sup>st</sup>, 1977 with the Chamber of Commerce of Medellin, under Book 9, Page 239, under serial number 1999 with Registration Number 21-033962-4.

**SECOND:** That in the stated capacity and under authorization of the Shareholders' Meeting, he proceeds to: 1) Formalize by Public Deed the partial amendment of the Bylaws of the Company, as approved by the Regular Shareholders' Meeting held on March 28, 2014, as evidenced in Minutes 103. Copy of said Minutes is placed in record herewith.

**THIRD:** That the Regular Shareholders' Meeting approved amendment of the following Articles of the Bylaws: Chapter II. Purpose and general provisions. Article five: corporate purpose; and Chapter VI. The Board of Directors: Article 27. Board of Directors.

**FOURTH:** Accordingly, the Articles amended shall read as follows:

**CHAPTER II. PURPOSE AND GENERAL PROVISIONS. ARTICLE FIVE:**

**CORPORATE PURPOSE:** The corporate purpose of ISA is: 1) Providing the utility of energy transmission, pursuant to Laws 142 and 143 of 1994 and the regulations adding, amending or substituting the same, as well as providing services connected, supplementary and related to such activities, according to the legal and regulatory framework in effect. 2) The development of systems, activities and services of telecommunications. 3) The direct or indirect participation in activities and services

  
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related with the transportation of other energy resources. 4) Providing technical and non-technical services in activities related with its corporate purpose. 5) The development of infrastructure projects and their commercial exploitation, as well as the performance of activities related with the exercise of engineering under the terms of Law 842 of 2003 and the regulations adding, amending or substituting the same. 6) The investment in domestic or foreign companies which purpose is the exploitation of any lawful economic activities; the investment on real and personal property and the investment on shares, quotas or participations, bonuses, commercial documents or fixed or variable income documents, listed in the securities market or any other mode provided in the Law enabling the investment of resources. 7) The management of Business Group companies, through the definition of strategic, organizational, technical, financial guidelines, among others.

**FIRST PARAGRAPH:** In compliance with its corporate purpose, ISA may develop its activities in the national and foreign territory.

**SECOND PARAGRAPH:** The Company, through the corresponding corporate body, may: 1) Perform any activity connected, supplementary or having a means-to-end relationship with activities comprising its primary corporate purpose and undertake any association or entrepreneurial cooperation mode to carry out activities related with its corporate purpose; 2) Carry out all legal business required for the proper compliance with its corporate purpose; 3) Conduct scientific and technological activities related with its purpose, as well as carry out its exploitation, technical and economical application. 4) Participate in the social development in the zones of influence of its operations through environmental and community-purpose action plans.

**CHAPTER VI: BOARD OF DIRECTORS. ARTICLE TWENTY-SEVEN: BOARD OF DIRECTORS:** ISA's Board of Directors shall be composed by seven (7) members, each with his/her personal alternate, elected by the electoral quotient system for a period of one (1) year, who may be reelected or removed at any time by the Shareholders' Meeting. The members of the Board of Directors shall be elected taking into account the proportional representation of the share ownership of each shareholder and following criteria of professional skills, suitability and renowned moral solvency. No employee of the Company may be a member of the Board of Directors. The appointment as ISA's Board of Directors member may be conducted under a personal title or a specific position.

**FIRST PARAGRAPH:** The Board shall elect among its members such individual who shall preside over the meetings. The Chairman shall submit to the Shareholders' Meeting a report on the operation of the Board of Directors.

  
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**SECOND PARAGRAPH:** The members of the Board of Directors shall evaluate themselves according to the procedure defined by the Board, without prejudice of other evaluation mechanisms provided by the same. The Chairman shall report the results of the evaluation to the Shareholders' Meeting.

**THIRD PARAGRAPH:** The Board of Directors may create Committees coordinated by the Chief Executive Officer of the Company to analyze and submit to the Board of Directors' consideration any matters relevant for the Company. The Board of Directors may delegate in the Committees any decision-making powers not exceeding the powers corresponding to the Board of Directors, which shall be adopted unanimously.

**FIFTH:** Based on the authorization from the Regular Shareholders' Meeting, the bylaws in effect are incorporated into a single Public Deed. Accordingly, the Bylaws of ISA shall read as follows:

#### **CHAPTER I: NAME, INCORPORATION, DOMICILE AND TERM.**

**ARTICLE ONE: NAME – LEGAL STATUS:** INTERCONEXIÓN ELÉCTRICA S.A. E.S.P., who may also use the abbreviation "ISA E.S.P." is a mixed-ownership public utility company, established as a national business corporation ascribed to the Ministry of Mines and Energy and regulated by the Domiciliary Public Utilities Law (Law 142 of 1994).

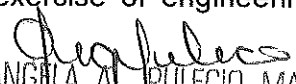
**ARTICLE TWO: SHAREHOLDERS:** Any individual or legal person whatsoever who subscribes shares of the Company may be a shareholder.

**ARTICLE THREE: DOMICILE:** The Company's main offices are located in the city of Medellin. The Board of Directors may establish branch offices as deemed convenient.

**ARTICLE FOUR: TERM:** The duration of the Company is indefinite.

#### **CHAPTER II: PURPOSE AND GENERAL PROVISIONS.**

**ARTICLE FIVE: CORPORATE PURPOSE:** The corporate purpose of ISA is: 1) Providing the utility of energy transmission, pursuant to Laws 142 and 143 of 1994 and the regulations adding, amending or substituting the same, as well as providing services connected, supplementary and related to such activities, according to the legal and regulatory framework in effect. 2) The development of systems, activities and services of telecommunications. 3) The direct or indirect participation in activities and services related with the transportation of other energy resources. 4) Providing technical and non-technical services in activities related with its corporate purpose. 5) The development of infrastructure projects and their commercial exploitation, as well as the performance of activities related with the exercise of engineering under the

  
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terms of Law 842 of 2003 and the regulations adding, amending or substituting the same. 6) The investment in domestic or foreign companies which purpose is the exploitation of any lawful economic activities; the investment on real and personal property and the investment on shares, quotas or participations, bonuses, commercial documents or fixed or variable income documents, listed in the securities market or any other mode provided in the Law enabling the investment of resources. 7) The management of Business Group companies, through the definition of strategic, organizational, technical, financial guidelines, among others.

**FIRST PARAGRAPH:** In compliance with its corporate purpose, ISA may develop its activities in the national and foreign territory.


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**ARTICLE SIX: NATIONAL DISPATCH CENTER:** In compliance with Law 143 of 1994, ISA shall organize the National Dispatch Center as one of its internal divisions, which shall carry out the duties provided in Article 34 of the Electricity Law (Law 143 of 1994).

**ARTICLE SEVEN: INVESTMENT PROGRAMS:** To comply with its corporate purpose, ISA shall develop its investment programs and shall market its services based on criteria of economic and financial returns subject to the regulations and procedures approved by the competent authority.

### CHAPTER III: CAPITAL AND SHARES.

**ARTICLE EIGHT: CAPITAL STOCK:** The Company has an authorized capital stock of FORTY-FIVE BILLION PESOS (COP 45 billion), divided into ONE BILLION THREE HUNDRED SEVENTY-ONE MILLION NINE HUNDRED FIFTY-ONE THOUSAND TWO HUNDRED AND NINETEEN (1,371,951,219) SHARES, each with par value of THIRTY TWO PESOS POINT EIGHT ZERO ZERO ZERO ZERO ZERO ZERO FIVE THREE FIVE TWO ZERO ZERO (COP 32.8000000535200). The subscribed and paid-in capital to date is the amount of THIRTY SIX BILLION NINE HUNDRED

  
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SIXTEEN MILLION THREE HUNDRED THIRTY-FOUR THOUSAND NINE HUNDRED THIRTY-ONE PESOS (COP 36,916,334.931,00) corresponding to ONE BILLION ONE HUNDRED TWENTY-FIVE MILLION FOUR HUNDRED NINETY-EIGHT THOUSAND SIXTEEN (1,125,498,016) shares, each with par value of THIRTY TWO PESOS POINT EIGHT ZERO ZERO ZERO ZERO ZERO ZERO FIVE THREE FIVE TWO ZERO ZERO (COP 32.80000000535200).

**ARTICLE NINE: SHAREHOLDER REGISTER:** The Company shall keep a shareholder register previously filed with the Chamber of Commerce of its main domicile, showing the names of shareholders, the number of shares corresponding to each, the certificate or certificates with the respective numbers and dates of recording and transfers, pledges, usufructs, attachments, and legal actions, as well as any other acts subject to recording according to the law. **PARAGRAPH:** In the event the Company lists its shares on a Stock Exchange, the Company may delegate the keeping and maintenance of the shareholder register to a specialized entity legally authorized to do so, prior approval of the Board of Directors.

**ARTICLE TEN: CHARACTERISTICS OF THE SHARES:** The shares among which the capital of the Company is divided are registered shares and are classified in three (3) kinds: Common Shares, Privileged Shares, and Shares with preferred dividend but with no voting rights. All shares into which the Company's capital stock is divided shall circulate in a dematerialized or materialized way as decided by the Board of Directors in the respective placement regulations. They are to be paid in cash and shall be represented by one or several global certificates that represent all or part of the shares, or in certificates issued in numbered and continued series, signed by the Chief Executive Officer and the Secretary, and must satisfy the requirements set forth in Article four hundred one (401) of the Code of Commerce. Global Title(s) or interim or definitive certificates, whichever is applicable, shall be issued within a term equal to or lower than thirty (30) days following the date of the agreement of subscription of shares, as established in Article four hundred (400) of the Code of Commerce.

**ARTICLE ELEVEN: CERTIFICATES:** The certificate or certificates corresponding to placed, transferred or encumbered shares that circulate in a dematerialized way shall be kept under custody and administration by a specialized entity or by a Centralized Securities Depository with expertise in these kinds of activities, previously selected by the Board of Directors. The entity selected shall make the corresponding recordings of share subscribers and shall keep the shareholder register. Shareholders may request a certificate entitling them to the exercise of the rights inherent to their capacity. However, the Shareholders' Meeting may determine that shares are to circulate

  
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**CERTIFIED TRANSLATION NO. 118-14 OF A DOCUMENT WRITTEN IN SPANISH LANGUAGE. THIS IS A TRUE AND COMPLETE TRANSLATION OF THE ORIGINAL, COPY OF WHICH TRANSLATION IS KEPT AT THE TRANSLATOR'S RECORDS. THIS CERTIFIED TRANSLATION IS ISSUED IN BOGOTÁ D.C. ON JULY 3, 2014 BY ANGELA ALEXANDRA PULECIO MAYORGA, CERTIFIED TRANSLATOR AS PER RESOLUTION NO. 0177 OF 1997 OF THE COLOMBIAN MINISTRY OF JUSTICE, REGISTERED BEFORE THE COLOMBIAN MINISTRY OF FOREIGN AFFAIRS**

physically, in which case the approval of an ordinary majority shall suffice, without implying an amendment to the bylaws. In this case, each shareholder shall receive a certificate representing his shares, unless he prefers several certificates for several partial amounts of the total amount that belong to him. The contents and characteristics of the certificates shall be subject to relevant legal provisions. If the price of the shares has not been fully paid for, the Company may only issue provisional certificates.

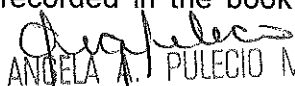
**PARAGRAPH ONE: APPLICABLE REGULATIONS:** Except as otherwise provided herein, the circulation, liens and any other matters related to dematerialized shares shall be governed by the provisions applicable to dematerialized securities, as well as by any other current or subsequent regulation that may complement, modify or supplement them.

**PARAGRAPH TWO. SHAREHOLDERS DEFAULT:** In the event a shareholder is in default of payment of the shares subscribed by the same, he may not exercise the political and economic rights inherent thereto, without prejudice of the provisions of Article 150 of the Code of Commerce. For such effect, the Company directly, or through the specialized entity upon which it has delegated this function, shall record any payments made and balances outstanding.

**PARAGRAPH THREE: PROCEDURE FOR ENFORCEMENT AGAINST DEFAULT DEBTORS:** The corresponding Issuance and Placement Rules may regulate the procedure for enforcement of encumbrances and the application of mechanisms established by Article 397 of the Code of Commerce to any shareholder who is in default in the payment of his shares.

**ARTICLE TWELVE: ATTACHED SHARES OR SHARES UNDER LITIGATION:** The attachment shall be entered in the shareholder register under the terms of Article 415 of the Code of Commerce. Shares whose ownership is under litigation cannot be disposed of without permission from the judge in charge of the respective proceedings. Authorization from the plaintiff is also required to transfer attached shares. Consequently, the Company shall abstain from recording any transfer or lien from the date on which the judge has reported the attachment or serviced the lawsuit, as the case may be. Attachment of shares shall cover the corresponding dividend, and may be limited only to such dividend. In this event, the attachment shall be conducted by order of the judge authorizing the Company to retain and place the respective amounts at his disposal.

**PARAGRAPH ONE:** In case of theft of a registered certificate, the Company shall replace it and provide a duplicate to the owner recorded in the book "Register and

  
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Liens of Shares". The shareholder must support the fact to the Board of Directors, and in any event, he must submit an authenticated copy of the respective criminal report. When a shareholder requests a duplicate due to loss of a certificate, he shall submit the guarantee required by the Board of Directors. Should the lost certificate appear, its holder shall return the duplicate to the Company, and the Board of Directors shall destroy it and shall record this fact in the minutes of the corresponding meeting. When a duplicate is requested because of deterioration of the original, the holder must deliver the respective certificate for the Company to cancel it.

**PARAGRAPH TWO.** Pledged Shares. The pledge shall be legalized through its recording on the book of "Register and Liens of Shares", and it shall not give the creditor the rights inherent to the capacity of shareholder, except by virtue of explicit covenant or agreement. The document with such covenant is sufficient to prove the creditor's rights.

**PARAGRAPH THREE:** In the case of usufruct duly reported to the Company, the Company shall recognize all the rights derived from the shares to the beneficiary except those rights inherent to the bare ownership, such as the right to convey them and to subscribe new issues of shares, including those to be distributed as stock dividends, which correspond to the bare owner, except as otherwise provided.

**ARTICLE THIRTEEN: EQUAL RIGHTS:** ISA recognizes the importance of its shareholders and investors. Accordingly, and with a sense of social responsibility, it seeks not only the return of their investment and the increase of the Company value but also to guarantee the full exercise of their rights and the strict compliance of their duties. The Company shall give same treatment regarding petitions, claims and information, to its investors and shareholders, regardless of the value of their investment or the number of shares represented by them.

**ARTICLE FOURTEEN: SHAREHOLDERS' RIGHTS:** Without limitation upon any other rights granted by the Law, the Regulations and the Bylaws, shareholders shall be entitled to the following rights: 1) Participate in the discussions of the Shareholders' Meeting and vote thereat. 2) Subject to the provisions of these bylaws and the Law, receive the proportion of the corporate benefits established in the end-of-period balance sheet. 3) Negotiate the shares under the terms of these bylaws. 4) Inspect, at their discretion, within fifteen (15) business days prior to the Shareholders' Meeting, where the end-of-period balance sheet is to be considered, the books and other documents referred to in Articles 446 and 447 of the Code of Commerce. 5) Receive the proportional value of their shares, a portion of the corporate assets, upon liquidation and after payment of the external liabilities of the Company. 6)

  
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Representation before the Company. For any matter, shareholders may have themselves represented by sending document stating the name of the attorney and the extent of the mandate. Powers for representation before the Shareholders' Meeting shall abide by the provisions of Article 184 of the Code of Commerce. 7) Indivisibility of shares. Shares shall be indivisible and, consequently, when for any legal or contractual reason one or several shares belong to a plural number of people, these must appoint a common representative who shall exercise the rights corresponding to their capacity as shareholders. The appointment of the representative shall be made subject to the provisions of Article 378 of the Code of Commerce. 8) Representation of shareholders. There is no restriction whatsoever regarding the shareholders' right to vote. Each shareholder, either an individual or a legal person, may appoint only one main representative to the Shareholders' Meeting, regardless of the number of shares held. The representative of a shareholder cannot fraction the vote of his principal, which means that he is not allowed to vote with one or several shares represented by him in one sense or for certain people, and with another share or shares in a different sense or for other people. But this individuality of vote does not prevent the representative of the vote of several shares from voting in each case by adhering separately to the instructions given by each represented individual or group.

**ARTICLE FIFTEEN: RESOLUTION OF DISPUTES:** Any dispute that may arise between the Company and the shareholders, between the shareholders and managers, and those regarding challenges to decisions shall be tried to solve first through direct settlement. If an agreement has not been reached within sixty (60) business days, the party raising the dispute may resort to the regular courts or opt for any alternative way of dispute resolution provided by Colombian legislation. Alternative ways of dispute resolution shall be conducted at the Center of Conciliation and Arbitration of the Medellin Chamber of Commerce for Antioquia.

**ARTICLE SIXTEEN: NEGOTIATION BETWEEN STATE SHAREHOLDERS AND PRIVATE SHAREHOLDERS:** Upon satisfaction of the requirements set forth in the foregoing Article, when a State shareholder intends to dispose of its shares, or a portion thereof, in favor of individuals or legal persons, the provisions of Law 226 of 1995 or any rules amending or superseding the same, shall be applied.

#### CHAPTER IV: CORPORATE BODIES.

**ARTICLE SEVENTEEN: CORPORATE BODIES:** ISA shall be directed and administered by the Shareholders' Meeting, the Board of Directors and the Chief Executive Officer.

  
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## CHAPTER V: SHAREHOLDERS' MEETING.


**ARTICLE EIGHTEEN: SHAREHOLDERS' MEETING – COMPOSITION.** The Shareholders' Meeting is composed by the shareholders gathered with the quorum and conditions provided in the following articles. There shall be two types of meetings: Regular meetings and special meetings.

**ARTICLE NINETEEN: REGULAR MEETINGS:** Regular Shareholders' Meetings shall be held at the corporate domicile, within the first three months of each year, on the day, time and place set forth in the call of the meeting, which must be made at least with fifteen (15) business days in advance, through notice published in a widely distributed newspaper, or through written communication sent to each shareholder, at the address registered in the books of the Company; the competent Superintendence must be informed of the foregoing.

**PARAGRAPH:** If not convened, the Regular Meeting shall be held in its own right on the first business day of April at 10:00 am at the Company's offices in Medellin.

**ARTICLE TWENTY: DUTIES:** In its regular sessions, the Shareholders' Meeting shall examine the condition of the Company; elect the principal members of the Board of Directors and their alternates; modify the economic regime of the Management; consider the accounts and balance sheets of the previous fiscal period; rule about the distribution of profits; agree on the provisions necessary to fulfill the corporate purpose and the common interest of shareholders.

**ARTICLE TWENTY-ONE: SPECIAL MEETINGS:** Special Shareholders' Meetings shall be held when required by unforeseen or urgent needs of the company and convened through notice of meeting made by the Chief Executive Officer, the Statutory Auditor of the official entity exercising permanent control over the Company, the Board of Directors, or by request of shareholders representing at least twenty percent (20%) of subscribed shares made to said officers. Nevertheless, the Shareholder's Meeting may be validly held and without previous notice, as Special Meeting, when all the subscribed shares are represented. The convening shall be held five (5) calendar days before the meeting through a letter sent to the last address of each shareholder registered in the company's books, or through publication in a nationwide distributed newspaper, including the matters to be discussed in the Special Meeting. The Special Meeting may not adopt definitive decisions on matters other than those stated in the convening for each Special Meeting, unless the majority of the votes present so decides.

  
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**ARTICLE TWENTY-TWO: QUORUM TO DELIBERATE:** A plural number of shareholders representing at least an absolute majority of subscribed shares shall constitute a quorum to deliberate, both at regular meetings and special meetings. Decisions shall be made by the majority of votes present, unless the law or the bylaws shall require a special majority for certain matters.

**ARTICLE TWENTY-THREE: NEW CALL:** If after being convened, the Meeting is not held for lack of quorum, a new meeting shall be convened which shall be validly held and decide with a plural number of shareholders regardless of the number of shares represented at such meeting. The new meeting shall be held neither before ten (10) business days nor after thirty (30) business days, counted from the date set for the first meeting. When the Meeting takes place on its own right on the first business day of April, it may also validly deliberate and decide according to this Article.

**ARTICLE TWENTY-FOUR: CHAIR:** The Shareholders' Meeting shall be chaired by the person designated by the Meeting.

**ARTICLE TWENTY-FIVE: MINUTES:** The agreements, decisions, votes, and other acts of the Shareholders' Meeting, the summary of deliberations, list of attendants with indications of type and number of own or other people's shares represented, and the kind of convening for the meeting shall be recorded in the minutes, which shall be approved by the shareholders present at such meeting or by a commission appointed by it to this end and signed by those who must approve it, that is, the Chairman and the Secretary of the meeting. In the absence of any of these two officers, the minutes shall be signed by the Statutory Auditor. Additionally, if the balance sheet and the Statutory Auditor's report are not attached to the minutes, a certification of their presentation shall be included in the minutes of the meetings, and that the documents referred to in Articles 446 and 447 of the Code of Commerce were made available to shareholders, at the Chief Executive Office, fifteen (15) business days before the date of the meeting. The minutes shall be recorded in strict chronological order in a special book, with cover and numbered pages, registered at the Chamber of Commerce of Medellin. Copies of such minutes, duly authenticated, shall be sent to the Superintendence of Domiciliary Public Utilities.

**ARTICLE TWENTY-SIX: POWERS:** The powers of the Shareholders' Meeting are to: 1) Issue its own rules. 2) Issue the bylaws of the Company and amend them. 3) Designate for one-year (1) periods the principal members of the Board of Directors and their alternates and set their corresponding fees. 4) Examine, approve or disapprove the balance sheet, the accounts and the project for profit distribution that the Chief Executive Officer shall present during regular meetings. 5) Decree the establishment

  
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of special reserves other than the legal reserve. 6) Decree, in accordance with the Law, the distribution of profits established in the balance sheet, determining the amount of profits to be distributed, the term and the forms of payment of dividends. The Shareholders' Meeting may determine that the sums available at any time for dividend distribution be totally or partially capitalized and that their value be distributed in shares of the Company among the shareholders pro rata to those owned on the date of capitalization. 7) Consider the reports presented by the Board of Directors and the Statutory Auditor, along with the report on advancement of the Good Governance Code presented by the Board of Directors and the Chief Executive Officer. 8) Preserve the minutes and send copies thereof and the balance sheets and income statements to the Superintendence of Domiciliary Public Utilities. 9) Appoint the Statutory Auditor and his alternate and determine his fees; additionally, create the positions and determine their remuneration for the staff required by the Statutory Auditor office. 10) Agree on the way to absorb losses, if any. 11) Decree any capital increases, having in consideration the power of the Board of Directors to increase authorized capital under the cases provided in Article 19, number 19.4 of Law 142 of 1994. 12) Authorize any issuance and placement of shares and convertible bonds, whether common shares or privileged shares, issuance of bonds to be placed under private offer, and issuance of bonds to be placed under public offer exceeding 15% of the Company's market capitalization. 13) Authorize any issuance of privileged shares or non-voting shares and order the reduction or suppression of privileges. 14) Order the repurchase of shares and their subsequent transfer. 15) Approve the special dissolution of the Company and authorize its transformation or merger with other company(ies), or its spinoff. 16) The sale, liquidation, transfer for any reason or conveyance or lease of assets or property of ISA in one or several related transactions, which amount exceeds fifteen point zero percent (15.0%) of ISA's Market Capitalization or the sale or transfer in whole or in part of the business establishment of ISA, whether through one single operation or through a series of related transactions, within a term of twelve (12) consecutive months. 17) Restructure ISA's share capital. 18) Convert into shares such debt securities that may represent capital contribution exceeding Two (2) Monthly Statutory Minimum Wages. 19) The decision that shares are to be issued and offered under ISA's capitalization processes are placed without being subject to preemptive rights. 20) Any change in ISA's dividend policy. 21) The Shareholders' Meeting with the favorable vote of eighty percent (80%) of represented shares shall decide and approve the payment of stock dividends. 22) Any other duties provided herein.

**PARAGRAPH:** Market Capitalization is understood as the product of the average

  
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Stock Exchange price of the share during the previous Ten (10) days, multiplied by the number of Privileged and Common shares outstanding, regardless of the fact that common shares are not listed in the Stock Exchange, on the day prior to the date when the meeting approving the decision takes place.

#### CHAPTER VI: THE BOARD OF DIRECTORS.


**ARTICLE TWENTY SEVEN: BOARD OF DIRECTORS:** ISA's Board of Directors shall be composed by seven (7) members, each with his/her personal alternate, elected by the electoral quotient system for a period of one (1) year, who may be reelected or removed at any time by the Shareholders' Meeting. The members of the Board of Directors shall be elected taking into account the proportional representation of the share ownership of each shareholder and following criteria of professional skills, suitability and renowned moral solvency. No employee of the Company may be a member of the Board of Directors. The appointment as ISA's Board of Directors member may be conducted under a personal title or a specific position.

**FIRST PARAGRAPH:** The Board shall elect among its members such individual who shall preside over the meetings. The Chairman shall submit to the Shareholders' Meeting a report on the performance of the Board of Directors.

**SECOND PARAGRAPH:** The members of the Board of Directors shall evaluate themselves according to the procedure defined by the Board, without prejudice of other evaluation mechanisms provided by the same. The Chairman shall report the results of the evaluation to the Shareholders' Meeting.

**THIRD PARAGRAPH:** The Board of Directors may create Committees coordinated by the Chief Executive Officer of the Company to analyze and submit to the Board of Directors' consideration any matters relevant for the Company. The Board of Directors may delegate in the Committees any decision-making powers not exceeding the powers corresponding to the Board of Directors, which shall be adopted unanimously.

**ARTICLE TWENTY-EIGHT: CHAIRMAN AND SECRETARY OF THE BOARD OF DIRECTORS:** The Board of Directors shall elect among its members a chairman to preside over the meetings. The General Secretary of the Company is the secretary of the Board of Directors. The Chairman shall submit to each regular Shareholders' Meeting a report on the performance of the Board of Directors including: a) Meetings held and their periodicity. b) Attendance to the meetings of the Board of Directors of each principal and alternate member. c) Preparation of items to be dealt with at the meeting.

  
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**PARAGRAPH:** The members of the Board of Directors shall evaluate themselves according to the procedure defined by the Board. The Chairman shall report the results of the evaluation to the Shareholders' Meeting.

**ARTICLE TWENTY-NINE: EXTENSION OF THE TERM OF THE BOARD OF DIRECTORS:** If the term of the members of the Board of Directors elected by the Shareholders' Meeting expires and no new election has taken place, such members shall continue exercising their positions until a new election is held as provided in these bylaws.


**ARTICLE THIRTY: MEETINGS OF THE BOARD OF DIRECTORS:** The Board of Directors shall meet at the Company's offices or at any other place designated by the same Board, usually at least once a month, on the days it may determine, and extraordinarily, called by itself, the Chief Executive Officer, the Statutory Auditor or by two principal members.

**ARTICLE THIRTY-ONE: QUORUM TO DELIBERATE:** The Board of Directors may neither deliberate nor validly make decisions with less than six (6) members of which, at least three (3) must be principal members.

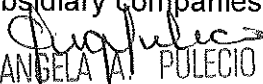
**ARTICLE THIRTY-TWO: QUORUM TO MAKE DECISIONS:** The decisions of the Board of Directors shall be adopted with the favorable vote of at least five (5) of its members present at each meeting.

**ARTICLE THIRTY-THREE: VOTES:** The Chief Executive Officer shall have a speaking but not voting right in the meetings of the Board of Directors.

**ARTICLE THIRTY-FOUR: DUTIES:** The duties of the Board of Directors are to: 1) Determine the Company's Strategic Direction. 2) Appoint the Chief Executive Officer of the Company and three (3) alternates, under criteria of qualification, knowledge, experience and leadership; remove them from their position; reelect them; and determine the remuneration of the principal and evaluate him as provided in the Integral Management Chart adopted by the Company. The Board may also designate Area Managers, Deputy Managers and Directors of the Company as legal representatives for certain business or areas, defining in the designation the powers to be conferred upon them. Likewise, the Board of Directors shall appoint attorneys-at-law for the purposes of legal judicial representation that shall represent the Company before the judicial, administrative and police authorities. 3) Decide about the excuses and licenses presented by the Chief Executive Officer. 4) Approve the Company's labor policy, the number of employees in the payroll and the parameters for their remuneration. 5) Adopt the rules for procurement and contracting, defining the criteria, procedures and powers by which the Company shall be bound regarding procurement

  
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and contracts. 6) Approve the annual budget of the Company. 7) Present the accounts, balance sheet and inventories of the Company to the Shareholders' Meeting; propose the approval of reserve funds that in addition to the legal reserve, it considers convenient for the Company, and to propose the distribution of earnings. 8) Examine, when it considers it necessary, the documents and books of the Company; present to the Shareholders' Meeting a detailed report of the condition of the corporate business according to Articles 46 and 47 of Law 222 of 1995. 9) Decree increases in the authorized capital for carrying out new investments in the infrastructure of utilities associated with the corporate purpose. 10) Approve the appraisal of property received by the company as payment in kind for shares subscribed. 11) Approve the issuance of non-convertible bonds to be placed under public offer not exceeding fifteen percent (15%) of market capitalization; regulate any issuance and placement of the Company's shares and bonds; and prepare the corresponding prospectus. 12) Set the date for the regular Shareholders' Meetings and convene special meetings when it considers it convenient. 13) Act as a consulting body for any matter required by the Chief Executive Officer. 14) Authorize the establishment of branch offices in such places it considers advisable. 15) Delegate to the Chief Executive Officer any or some of its functions that may be delegated according to the Law. 16) Authorize the Chief Executive Officer to delegate any or some of his duties provided in the Bylaws or the laws. 17) Adopt the Ruling of Terms for the correct performance and management of regular and special Shareholders' Meetings. 18) Authorize any transaction, group of transactions or expansion of a transaction with the same purpose or for the same services conducted with affiliates and exceeding twenty thousand (20,000) monthly statutory minimum wages within a term of twelve (12) consecutive months. 19) Deliberate and decide on the following: a) The sale, liquidation, transfer under any title or disposal or lease of ISA's assets or property, in one or several related transactions which amount is greater than five point zero percent (5.0%) and less than fifteen point zero percent (15.0%) of ISA's Market Capitalization, or the sale or transfer in whole or in part of ISA's business establishment, whether through one single operation or through a series of related transactions, within a term of twelve (12) consecutive months. b) Investments in other corporations or associations of different nature, as well as investments by ISA's subsidiary corporations, either in one single transaction or in a series of related transactions within a term of twelve (12) consecutive months when the amount of the investment exceeds five point zero percent (5.0%) of ISA's Market Capitalization. c) The analysis on the execution of transactions, agreements or contracts with its parent company or with subsidiary companies of its parent company,

  
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as well as with parent or subsidiary companies of its Majority Shareholders, or in general with parent, subsidiary or affiliate companies of said people (together jointly called "Affiliates") for the acquisition of goods and services, being understood that any of such acquisitions or transactions shall be executed under terms and conditions and at the costs usually applied by ISA to transactions with unrelated third parties, that is, under market conditions. **PARAGRAPH:** For the purposes of interpretation of these bylaws, Affiliate(s) shall mean, any corporation(s) or people considered as ISA's parent company or subsidiary corporations of such parent company, as well as parent and subsidiary companies of ISA's majority shareholders, or in general, parent, subsidiary or affiliate companies of the aforementioned. Likewise, Transaction shall mean any transaction, agreement or contract entered into by ISA, under which ISA incurs in any obligation. 20) Approve transactions with subordinate companies exceeding 5% of market capitalization and see to it that they are conducted under market terms. 21) Take specific measures regarding the Company's governance, conduct and information in order to guarantee respect for the rights of those who invest in its shares or any other security issued by it, as well as the correct management of its business and the public disclosure of its affairs, and present to the Shareholders' Meeting through the Chief Executive Officer, a report on the foregoing matters. 22) Watch for the effective compliance with the requirements of market regulatory bodies. 23) Guarantee the respect for the rights of all shareholders and other investors in securities according to the parameters established by market control bodies. 24) Approve the Good Governance Code presented by the Chief Executive Officer compiling all regulations and systems required by current regulations and watch for its effective compliance. For that effect, it may appoint a Control Committee that will be in charge of such matters. 25) Establish and regulate the Internal Committees of the Board of Directors, especially the Audit Committee, as provided in the law. The Board may request the Chief Executive Office to hire services of experts and consultants when it deems necessary to comply with its duties or as support to the Committees. 26) Any other duties granted by the Law and these bylaws.

**ARTICLE THIRTY-FIVE: SPECIFIC DUTIES OF THE MEMBERS OF THE BOARD OF DIRECTORS:**

In addition to their duties as administrators, the members of the Board of Directors, when carrying out their duties, shall take into account that: 1) Their decisions shall be made with independence and autonomy, based on fluid, transparent and integral information. 2) They shall not take advantage for their own benefit of a business opportunity of ISA or its subordinate companies, of which they have been aware of due to their capacity as members of the Board. 3) They shall not take part for

  
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their own account, or for a third party, in activities that compete with the Company. 4) They shall accept and carry out any task specifically recommended by the Board of Directors, provided it is reasonably included in their commitment of dedication. 5) They shall hand over their resignation whenever they are elected without complying with any requirement or when any of their personal conditions may negatively affect the operation of the Board of Directors or the Company's reputation. 6) They shall attend the meetings of the Board and the Committees and shall effectively contribute to the will of the Board.

**ARTICLE THIRTY-SIX: MINUTES:** The meetings of the Board of Directors shall be recorded in minutes on the corresponding book and they shall be signed by the chairman of the Board and by the person who acted as secretary.

**CHAPTER VII: THE CHIEF EXECUTIVE OFFICER AND OTHER PROVISIONS.**


**ARTICLE THIRTY-SEVEN: CHIEF EXECUTIVE OFFICER:** The direction of the administration and the legal representation of the Company shall be under the charge of the Chief Executive Officer who shall be elected by the Board of Directors. The Chief Executive Officer shall have three (3) alternates designated by the Board of Directors, who shall replace him in his absolute, temporary or accidental absences.

**FIRST PARAGRAPH:** For purposes of legal judicial representation of the Company, attorneys-at-law appointed by the Board of Directors shall also have the capacity of legal representatives, and they shall represent the Company before the judicial, administrative and police authorities.

**SECOND PARAGRAPH:** Area Managers, Deputy Managers and Directors designated by the Board may also act as legal representatives of the Company in specific business or areas.

**ARTICLE THIRTY-EIGHT: LEGAL REPRESENTATIVE:** The Chief Executive Officer shall be the legal representative of the Company and shall be in charge of the direction and administration of the corporate business. The Chief Executive Officer may not be a member of the Board of Directors, but this body may temporarily appoint any of its members as Chief Executive Officer. Area Managers, Deputy Managers and Directors designated by the Board of Directors to represent the Company in specific business or areas may also act as legal representatives; attorneys-at-law designated by the Board of Directors to represent the Company before the judicial, administrative and police authorities may act as well as legal representatives.

**ARTICLE THIRTY-NINE: ADMINISTRATORS AND SUBORDINATION:** In addition to the members of the Board of Directors and the Chief Executive Officer, the Area

  
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Managers, the Deputy Managers and the Directors are also considered as administrators. All employees of the Company shall be subordinated to and under the orders and immediate supervision of the Chief Executive Officer. The Statutory Auditor directly reports to the Shareholders' Meeting.


**ARTICLE FORTY: CONFLICT OF INTEREST:** Any person employed by the Company shall act with due diligence and loyalty. Executives, managers and employees of the Company are considered to be in a conflict of interest situation when, by reason of their duties, in making a decision, or performing or abstaining from performing an action, they have the possibility of choosing between the interest of the Company, customer, user or supplier and their own personal interest or that of a third party, so that, should they opt for either of the latter they would obtain undue pecuniary and/or extra-economic benefit they wouldn't otherwise obtain, thus ignoring a legal, contractual, statutory or ethical obligation. When facing a conflict of interest, or in doubt about its existence, the following procedure must be followed: a) Report the conflict in detailed writing addressed to the immediate superior, who shall designate the employee to carry on with the process. b) Abstain from intervening, directly or indirectly, in the activities and decisions related to the conflict, or cease any actions when becoming aware about the existence of conflict of interest. The members of the Board of Directors shall report to the Board any conflict of interest. The uncertainty about the existence of a conflict of interest does not exempt any member of the Board of Directors from the obligation to abstain from participating in the respective activities.

**ARTICLE FORTY-ONE: INFORMATION:** Any person employed by ISA shall exercise special care in handling information classified as reserved, especially information related to its competitive advantage, corporate strategy, competition, prices and campaigns. With the exception of reserved information or information that may jeopardize the Company's business or affect third party's rights, the Company shall supply general information according to the methodology and periodicity determined by the Board of Directors, so as to allow shareholders and other investors to have timely and accurate information for their investments. **PARAGRAPH:** Criteria for the supply, means and periodicity of information are established in the Good Governance Code.

**ARTICLE FORTY-TWO: DUTIES:** The duties of the Chief Executive Officer are to: 1) Carry out and cause to be carried out any transactions and authorizations included within the corporate purpose. 2) Enter into and subscribe any agreements and obligations of the Company within the criteria authorized by the Board of Directors. Delegate the execution of contracts, decentralize the execution of calls for bids and

  
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tenders, the ordering of expenditures and authorization of payments to employees holding executive positions, according to the regulations about contracts issued by the Board of Directors. 3) Prepare and execute the budget approved by the Board of Directors. 4) Design and execute the development and yearly action plans as well as the investment, maintenance and expenditure programs. 5) Direct the labor relations with authority to delegate duties on this matter, and exercise authority to appoint the personnel taking into account the number of people in the payroll approved by the Board of Directors. 6) Define the organizational and wage structure of the Company. 7) Make available to the shareholders, at least fifteen (15) business days before any regular Shareholders' Meeting, the inventory, balance sheet, accounts and an explanatory recount about the corporate business along with a project for the distribution of earnings, if any, duly approved by the Board of Directors. 8) Determine the investment of the funds available that are not necessary for the immediate operations of the Company. 9) Examine the books, accounts, correspondence and cash documents of the Company and verify the inventories and amounts. 10) Direct the accounting and make sure that it is carried according to the legal regulations applicable. 11) Submit any discrepancies arising between the Company and third parties to the decisions of arbitrators according to the provisions of the law on such matters, compromise, or conciliate them with the consent of the third party, or take them to the competent jurisdiction, as the case may be. 12) Appoint attorneys to represent the Company in judicial, out-of-court and administrative actions, set their fees, and delegate powers to them. 13) Render justified accounts of his management in the cases determined by the Law. 14) Convene the Board of Directors and the Shareholders' Meeting to regular and special meetings. 15) Establish and direct the internal control of the Company, according to the provisions of Article 46 and subsequent Articles of Law 142 of 1994. 16) Appear before a Notary Public to legalize the amendments to the Bylaws and the decisions of the Shareholders' Meeting and the Board of Directors that need to be formalized as public deed. 17) Present to the Board of Directors and ensure compliance with the specific measures regarding the governance of the Company, its conduct and information in order to guarantee respect for the rights of those who invest in its shares or any other security issued by it, as well as the correct management of its business and the public disclosure of its affairs. 18) Guarantee the respect for every shareholder and security investor according to the parameters established by market control bodies, and in association with the Board of Directors, present to the Shareholders' Meeting a report on the development of the Good Governance Code. 19) Provide the market with timely, complete and accurate

  
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