

## MINUTES 104

### REGULAR SHAREHOLDERS' MEETING OF INTERCONEXIÓN ELÉCTRICA S.A. E.S.P.

In Medellín on the 27<sup>th</sup> day of March, 2015, at 09:00 a.m., the Regular Shareholders' Meeting of Interconexión Eléctrica S.A. E.S.P took place at the Antioquia Hall of Hotel Intercontinental de Medellín, with the assistance of those listed below, in accordance with the registration of shareholders conducted by FIDUCIARIA BANCOLOMBIA S.A., evidenced through official letter C303700260 – GTC0577, filed at ISA under number 201588002169 on April 9, 2015:

**OUTSTANDING SHARES: 1,107,677,894**

**REPRESENTED SHARES: 942.952.708**

**NUMBER OF REPRESENTED SHAREHOLDERS: 948**

**NUMBER OF REPRESENTATIVES: 528**

**QUORUM: 85.13%**

Shareholders and proxies thereof attended the call made by the CEO of the company, published on March 1, 2015 by notice in nationwide distributed Newspapers El Colombiano and El Tiempo, and reiterated on March 22, 2015 in newspaper El Colombiano.

It was attested that, during the 15-business day term provided by the law and the bylaws, the Company's books and other documents required by law were available to shareholders at ISA's head office Calle 12 Sur 18-168 of the city of Medellín, Hall 1, Block 1.

Ms. Alba Lucia Guzmán Lugo also attended the meeting in representation of ERNST & YOUNG., as Statutory Auditor.

The members of the Board of Directors also attended as guests: Messrs. Tomás González Estrada, Minister of Mines and Energy, Santiago Montenegro Trujillo, Chairman of ISA's Board of Directors, Carlos Mario Giraldo Moreno, Bernardo Vargas Gibsone, Carlos Fernando Eraso Calero, Henry Medina González, Jesús Aristizábal Guevara, Camilo Zea Gómez, Carlos Felipe Londoño Álvarez,

Mr. Luis Fernando Alarcón Mantilla, as ISA's CEO, started the Regular Shareholders' Meeting of Interconexión Eléctrica S.A. E.S.P., by greeting and welcoming the shareholders and asked the Secretary of the Company to introduce the Board members, which was made accordingly by mentioning the names and positions of the attending members.

### QUORUM VERIFICATION

The General Secretary of the Company, responsible for the Secretariat of the Meeting, as provided in the Internal Rules of Procedure thereof, reported that at the meeting there were nine hundred eight million four hundred nineteen thousand three hundred ninety-eight (908,419,398) shares of a total of one billion one hundred seven million six hundred seventy-seven thousand eight hundred ninety-four dollars (1,107,677,894) comprising the subscribed, paid-in and outstanding capital of the Company, equal to 82.01% and that, consequently those attending the meeting could validly constituted the same, with capacity to deliberate and make decisions, according to the quorum provided for this purpose, i.e., a plural number of shareholders representing at least an absolute majority of the subscribed shares. He added that the total subscribed shares mentioned above did not include the seventeen million eight hundred twenty thousand one hundred and twenty-two (17,820,122) shares owned by ISA, which were repurchased and therefore all rights inherent to the same are suspended.

The proxies produced their powers of attorney granted by the respective shareholders with all due formalities provided in the law and regulations issued by the Financial Superintendence of Colombia.

Given the existence of a quorum to deliberate and validly decide, Mr. Santiago Montenegro Trujillo, in his capacity as Chairman of ISA's Board of Directors, opened the General Shareholders' Meeting of Interconexión Eléctrica S.A. E.S.P.

Then, the Secretary of the Assembly informed that the General Shareholders' Meeting was now opened, starting with the National Anthem.

The Chairman of the Board of Directors noted that the main table of the Meeting was enabled by the rules of the Meeting to act as commission for proposals and recommendations in order to receive any concerns that shareholders might like to submit. Once this recommendation was informed, he asked the Secretary to read out the agenda for the meeting.

The Secretary, before reading out the agenda, said it was important to consider as working methodology of the Meeting, that if any assistant desired to intervene or had any questions about a particular topic, they should do so after each presentation.

### **APPROVAL OF AGENDA**

The agenda was then read out:

1. Election of Chairman of the Meeting.
2. Report from Secretary on approval of Minutes 103 of March 28, 2014.
3. Election of Commission for approval of minutes and vote-counting.
4. Words from the Minister of Mines and Energy doctor Tomás González Estrada.
5. Greetings from Chairman of the Board of Directors and Report from the Board about the operation thereof.
6. 2014 Performance Report, Board of Directors and CEO.
7. Report from the Board of Directors and CEO on compliance with and development of Good Governance Code.
8. Presentation of ISA's Individual and Consolidated Financial Statements as of December 31, 2014.
9. Statutory Auditor's Report.
10. Approval of ISA's Individual and Consolidated Financial Statements as of December 31, 2014.
11. Approval of 2014 profit distribution project to decree dividends and set aside equity reserves.
12. Election of Statutory Auditor and allocation of professional fees.
13. Reading and approval of Corporate Bylaws.
14. Election of Board of Directors.
15. Reading and approval of Remuneration Policy for Board of Directors.
16. Approval of fees for Board members for April 2015 - March 2016 period.
17. Reading and approval of Board of Directors' Succession Policy.
18. Miscellaneous.

The Chairman of the Board of Directors, asked for approval of the proposed agenda of the Meeting to the assistants.

### **Approval:**

The Meeting unanimously approved the Agenda.

Following, the Secretariat read the first item of the Agenda.

### **1. ELECTION OF CHAIRMAN OF THE MEETING**

Mr. Santiago Montenegro Trujillo, acting as Chairman of the Board of Directors, proposed to designate Mr. Tomás González Estrada, Minister of Mines and Energy, as Chairman of the Meeting.

**Approval:**

The Meeting, by majority, approved the afore-mentioned decision.

Following are such shareholders abstaining to vote:

<b>PROXY OR REPRESENTATIVE</b>	<b>SHAREHOLDER</b>
CORELLA VANESSA	ADVANCED SERIES TRUST - AST GOLDMAN SACHS MULTI-AS
CORELLA VANESSA	AQUILA EMERGING MARKETS FUND
CORELLA VANESSA	WILMINGTON MULTIMANAGER INTERNATIONAL
CORELLA VANESSA	EMERGING MARKETS CORE EQUITY PORTFOLIO OF DFA INV
CORELLA VANESSA	EMERGING MARKETS SOCIAL CORE EQUITY PORTAFOLIO
CORELLA VANESSA	T.A. WORLD EX U.S. CORE EQUITY PORTFOLIO OF DFA INV
CORELLA VANESSA	LVIP BLACKROCK EMERGING MARKETS INDEX RPM FUND
CORELLA VANESSA	UNIVERSITY OF TEXAS
CORELLA VANESSA	CITY OF LOS ANGELES FIRE AND PLCE
CORELLA VANESSA	MICROSOFT GLOBAL FINANCE
CORELLA VANESSA	TEXAS SCOTTISH RITE HOSPITAL FOR CRIPPED CHILDREN
CORELLA VANESSA	CITY OF NEW YORK GROUP TRUST
CORELLA VANESSA	GOLDMAN SACHS FUNDS - GOLDMAN SACH GIVI GROWTH
CORELLA VANESSA	ISHARES MSCI COLOMBIA CAPPED ETF
CORELLA VANESSA	JOHN HANCOCK FUNDS II EMERGING MARKETS FUND

CORELLA VANESSA	PACIFIC SELECT FUND - PD EMERGING MARKETS PORTAFOLIO
CORELLA VANESSA	SPDR S&P EMERGING LATIN AMERICA ETF
CORELLA VANESSA	SSGA RUSSELL FUNDAMENTAL GLOBAL EX U.S INDEX NON-
CORELLA VANESSA	TEACHER RETIREMENT SYSTEM OF TEXAS
CORELLA VANESSA	AMP EMERGING MARKETS INDEX FUND
MANUELA RESTREPO BARRIOS	AVIVA LIFE AND PENSIONS UK LIMITED
MANUELA RESTREPO BARRIOS	SHELL TRUST (BERMUDA) LIMITED
MANUELA RESTREPO BARRIOS	SHELL PENSIONS TRUST LIMITED AS TRUSTEE OF SHELL CONTRIBUTORY PENSION FUND
MANUELA RESTREPO BARRIOS	BURAU OF LABOR FUNDS-LABOR PENSION FUND
MANUELA RESTREPO BARRIOS	STITCHING SHELL PENSIOENFONDS
MANUELA RESTREPO BARRIOS	STITCHING DEPOSITARY APG EMERGING MARKETS EQUITY POOL
MANUELA RESTREPO BARRIOS	BRITISH COAL STAFF SUPERANNUATION SCHEME
MANUELA RESTREPO BARRIOS	VANGUARD INVESTMENTS AUSTRALIA LTD ATF VANGUARD EMERGING MKTS SHARE INDEX FUND
MANUELA RESTREPO BARRIOS	VANGUARD INVESTMENT SERIES
MANUELA RESTREPO BARRIOS	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND
MANUELA RESTREPO BARRIOS	BLACKROCK INDEXED EMERGING MARKETS IMI EQUITY FUND
MANUELA RESTREPO BARRIOS	STATE OF WYOMING, WYOMING STATE TREASURER
MANUELA RESTREPO BARRIOS	SBC MASTER PENSION TRUST
MANUELA RESTREPO BARRIOS	JNL / MELLON CAPITAL EMERGING MARKETS INDEX FUND

MANUELA RESTREPO BARRIOS	CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND
MANUELA RESTREPO BARRIOS	ONEPATH GLOBAL EMERGING MARKETS SHARES (UNHEDGED) INDEX POOL
MANUELA RESTREPO BARRIOS	UBS GLOBAL ASSET MANAGEMENT LIFE LTD
MANUELA RESTREPO BARRIOS	CITY OF PHILADELPHIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
MANUELA RESTREPO BARRIOS	RETIREMENT INCOME PLAN OF SAUDI ARABIAN OIL COMPANY
MANUELA RESTREPO BARRIOS	FLEXSHARES MORNINGSTAR EMERGING MARKETS FACTOR TILT INDEX FUND
MANUELA RESTREPO BARRIOS	FUNDACAO CALOUSTE GULBENKIAN
MANUELA RESTREPO BARRIOS	FIDELITY INVESTMENT FUNDS-FIDELITY INDEX EMERGING MARKETS FUND
MANUELA RESTREPO BARRIOS	SHELL FOUNDATION
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 794
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 828
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 829

MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 795
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 078
MANUELA RESTREPO BARRIOS	CGI CONN GEN LIFE
MANUELA RESTREPO BARRIOS	AVIVA INVESTORS
MANUELA RESTREPO BARRIOS	HSBC ETFS PUBLIC LIMITED COMPANY
DUQUE JARAMILLO JUAN DAVID	FIDUCOLOMBIA - ISA ADR PROGRAM

The Secretary read out loud the second item of the Agenda.

**2. REPORT FROM SECRETARY OF THE MEETING ON APPROVAL OF MINUTES 103 OF THE REGULAR SHAREHOLDERS' MEETING OF MARCH 28, 2014**

“Mr. Chairman, Messrs. Board members, Messrs. Shareholders: Please be informed that Messrs.: María Alejandra Gil Duque, in representation of the shares of Empresas Públicas de Medellín E.S.P, Manuel Humberto Peláez Díaz, in representation of his own shares and Francisco Manuel Lucero, in representation of the shares of the Nation, were elected by the General Meeting of March 28, 2014 to compose the review and approval of the Minutes of the Meeting, who received the draft thereof prepared by the Secretariat of the Meeting, and prior review they found it was accurate and signed the same in conformity thereof.

Also, please be informed that Minutes 103 of the Meeting held on March 28, 2014 was published at ISA's website, once signed.

SONIA ABUCHAR ALEMAN

General Secretary

Medellín, March 2015”

The Secretary read out loud the third item of the Agenda.

**3. ELECTION OF COMMISSION FOR APPROVAL OF MINUTES AND VOTE-COUNTING**

The Secretary of the Meeting informed the Chairman that there was a proposition submitted by Mr. Pablo Hernán Corredor Avella, acting as shareholder of ISA, which text is as follows:

“Medellín, March 27, 2015

Messrs.

REGULAR SHAREHOLDERS' MEETING OF INTERCONEXIÓN ELÉCTRICA S.A. E.S.P. –ISA S.A E.S.P-

Taking into account that the Minutes of the Regular Shareholders' Meeting should be recorded before the Chamber of Commerce of Medellin for Antioquia and sent to the Financial Superintendence of

Colombia within 15 days following the date of holding the same, it is necessary to appoint a commission for approval of Minutes and vote-counting.

For such effect, I propose to appoint Messrs.: Maria Alejandra Gil Duque in representation of the shares of Empresas Públicas de Medellín E.S.P. and Francisco Manuel Lucero, in representation of the shares of the Nation, domiciled in Medellín and Bogotá respectively, who have expressed their immediate availability to make the review and provide approval.

Sincerely,

PABLO HERNÁN CORREDOR AVELLA  
Shareholder of ISA”

The Chairman of the Meeting asked for approval of the aforementioned proposition.

**Approval:**

The Meeting, by majority, approved the proposition.

Following are such shareholders abstaining to vote:

PROXY OR REPRESENTATIVE	SHAREHOLDER
DUQUE JARAMILLO JUAN DAVID	FIDUCOLOMBIA - ISA ADR PROGRAM
CORELLA VANESSA	AMP EMERGING MARKETS INDEX FUND
CORELLA VANESSA	AQUILA EMERGING MARKETS FUND
CITY OF NEW YORK GROUP TRUST	CITY OF NEW YORK GROUP TRUST
CORELLA VANESSA	ISHARES MSCI COLOMBIA CAPPED ETF
MANUELA RESTREPO BARRIOS	AVIVA LIFE AND PENSIONS UK LIMITED
MANUELA RESTREPO BARRIOS	SHELL TRUST (BERMUDA) LIMITED
MANUELA RESTREPO BARRIOS	SHELL PENSIONS TRUST LIMITED AS TRUSTEE OF SHELL CONTRIBUTORY PENSION FUND
MANUELA RESTREPO BARRIOS	BUREAU OF LABOR FUNDS-LABOR PENSION FUND
MANUELA RESTREPO BARRIOS	STICHTING SHELL PENSIOENFONDS
MANUELA RESTREPO BARRIOS	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL

MANUELA RESTREPO BARRIOS	BRITISH COAL STAFF SUPERANNUATION SCHEME
MANUELA RESTREPO BARRIOS	VANGUARD INVESTMENTS AUSTRALIA LTD ATF VANGUARD EMERGING MKTS SHARE INDEX FUND
MANUELA RESTREPO BARRIOS	VANGUARD INVESTMENTS SERIES
MANUELA RESTREPO BARRIOS	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND
MANUELA RESTREPO BARRIOS	BLACKROCK INDEXED EMERGING MARKETS IMI EQUITY FUND
MANUELA RESTREPO BARRIOS	STATE OF WYOMING, WYOMING STATE TREASURER
MANUELA RESTREPO BARRIOS	SBC MASTER PENSION TRUST
MANUELA RESTREPO BARRIOS	JNL / MELLON CAPITAL EMERGING MARKETS INDEX FUND
MANUELA RESTREPO BARRIOS	BLACKROCK INDEX SELECTION FUND
MANUELA RESTREPO BARRIOS	CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND
MANUELA RESTREPO BARRIOS	ONEPATH GLOBAL EMERGING MARKETS SHARES (UNHEDGED) INDEX POOL
MANUELA RESTREPO BARRIOS	UBS GLOBAL ASSET MANAGEMENT LIFE LTD
MANUELA RESTREPO BARRIOS	CITY OF PHILADELPHIA PUBLIC EMPLOYEES RETIREMENT SYSTEM.
MANUELA RESTREPO BARRIOS	RETIREMENT INCOME PLAN OF SAUDI ARABIAN OIL COMPANY
MANUELA RESTREPO BARRIOS	FLEXSHHARES MORNINGSTAR EMERGING MARKETS FACTOR TILT INDEX FUND
MANUELA RESTREPO BARRIOS	FUNDACAO CALOUSTE GULBENKIAN
MANUELA RESTREPO BARRIOS	FIDELITY INVESTMENT FUNDS- FIDELITY INDEX EMERGING MARKETS FUND
MANUELA RESTREPO BARRIOS	SHELL FOUNDATION



MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 400045796
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 400045792
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 400045794
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 400045828
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 400045829
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUN 400045795
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE FOR PENSION FUND ASSOCIATION 400039078
MANUELA RESTREPO BARRIOS	CGI CONN GEN LIFE
MANUELA RESTREPO BARRIOS	AVIVA INVESTORS
MANUELA RESTREPO BARRIOS	HSBC ETFS PUBLIC LIMITED COMPANY

The Secretary read out loud the fourth item of the Agenda:

**4. WORDS FROM THE MINISTER OF MINES AND ENERGY DOCTOR TOMÁS GONZÁLEZ ESTRADA**

The Minister addressed to the meeting in the terms below:

"Again, good morning to all of you, special greetings to all shareholders who have joined us in this Meeting, a special greeting to Mr. Luis Fernando Alarcon, to the entire team of ISA, and of course my colleagues from the board.

Today when I received the package that was handed to all shareholders, there was a notebook that read: "ISA, Events of the future" when I saw that phrase I couldn't stop thinking "of course, many events of the future", but ISA today has many present events. If you look at these 47 years of the company you may realize that it is present in eight countries, with 33 related companies, which are solid and enjoy great respect than perhaps any other time in its history, a clear evidence of how a mixed-capital company where the State is the majority shareholder but where there is also private participation, with many major shareholders holding a tangible voice that help the company making better decisions; one can only be pleased and feel proud of being part of this Board, this Meeting and working for shareholders like you; most importantly, it is to look at the events of recent years. In 2013 a strategic review took place, emphasizing on one item: of course ISA has to be big, of course, ISA has to grow, but it should do so based on profitability, profitability has to be one of the paths that lead us forward, we want to grow, we want to be important, we want to be influential, but above all, we want to be profitable, and that profitability was strongly focused on two things: making a good choice of the projects and, mostly, we should be very efficient in our operating processes, in our costs, in all decisions we make and 2014, the entire year in which this strategy was implemented, is a very positive year that quite pleases the Government and it will be a good reason to analyze in the reports submitted to the discussion occurring today. I want to provide three figures that evidence that work, this year's profit was 20% higher than expected, and almost a third higher than 2013; second, we have very specific figures of operating efficiency, reduced costs but cost reduction without sacrificing quality, without sacrificing standards; and third, we have margins above that expected. These are three very specific elements showing the importance of the company today, that such strategy review performed in 2013 has been or is being implemented as necessary, and the core of all this is and has been Mr. Luis Fernando Alarcon; he has been eight years leading the company, as ISA's captain, he is a person whose achievements highlight his evident personal qualities; I have known him mainly in the time I have joined ISA's Board, but the experience I have working with him is similar to that of his employees for many years, Luis Fernando is a person of great vision, he is very clear about where we're going and where should we go; he is hugely generous with his knowledge, I have personally learned a lot from discussions held with him, as all of those who have been privileged to work with him, and due to those two features, it is pleasing to have disagreements or different opinions because they are always channeled; therefore, when you look at those eight years, you realize that under the scope of Mr. Alarcón, ISA ventured into three new countries, the company's assets increased by one hundred percent, and profit under his period grew one hundred and sixty percent; these three very specific things reflect his ability to work, his personal characteristics that makes us thank you for your management Mr. Alarcon and tell you that you have been a great example and you leave a great legacy at ISA.

Towards the future, from the National Government that we are absolutely confident on ISA's path; ISA has a team of exceptional collaborators, ISA has the right strategy, and I believe that if we continue along the path we have proposed, if we continue with the team we have, if we remain focused on profitability, we will be the way we want, we will continue having very positive results, they will be results of the utmost indulgence for the country and all its shareholders, thank you."

The Secretary of the Meeting thanked the Minister and read out the fifth point of the agenda.

##### **5. GREETINGS FROM CHAIRMAN OF THE BOARD OF DIRECTORS AND REPORT FROM THE BOARD ABOUT THE OPERATION THEREOF**

Mr. Santiago Montenegro Trujillo, acting as Chairman of the Board of Directors, addressed the Meeting to welcome the assistants and read out the report of the Board on its operation, as follows:

"In compliance with the Bylaws and the Good Governance Code and as Chairman of the Board of Directors of the Interconexión Eléctrica S. A. E.S.P. –ISA– I am presenting to you the executive summary of the operation of the Board of Directors for the April 2014 - March 2015 period, which you will find in more detail in management report. The full text of this report is included in the information package provided to you at your arrival. Additionally, as you may note on the screens, before starting this Meeting, it can be consulted on ISA's website: [www.isa.co](http://www.isa.co).

### Composition of ISA's Board of Directors

On March 28, 2014, the Regular Shareholders' Meeting appointed the positions and individuals to form the Board of Directors. Those chosen are recognized for their moral character, knowledge and experience.

BOARD OF DIRECTORS	
Principal	Alternate
Ministry of Mines and Energy Minister	Ministry of Mines and Energy Vice-Minister of Energy
Ministry of Finance and Public Credit Vice-Minister General	Ministry of Finance and Public Credit Director of Public Credit and National Treasure
Carlos Mario Giraldo Moreno (*)	Henry Medina González (*)
Empresas Públicas de Medellín E.S.P. General Manager (*)	Jesús Aristizábal Guevara (*)
Santiago Montenegro Trujillo (*)	Camilo Zea Gómez (*)
Alejandro Linares Cantillo (*)	Tomás González Estrada (**)
Bernardo Vargas Gibsone (*)	Carlos Felipe Londoño Álvarez (*)
(*) Independent members	
(**) As of August 19, 2014, Tomás González Estrada took office as Minister of Mines and Energy and occupied the first line of the Board of Directors	

The following members hold public positions within the central administration, and therefore are related to the Nation, ISA's major shareholder:

- Minister of Mines and Energy.
- Vice-Minister of Energy, Ministry of Mines and Energy.
- Vice-Minister General, Ministry of Finance and Public Credit.
- Director of Public Credit and National Treasure, Ministry of Finance and Public Credit.

The full Board, in session 746 of April 25, 2014, appointed Mr. Santiago Montenegro Trujillo as its Chairman.

In consideration of their attendance to the Board's and Committees' meetings, the members received the remuneration set by the Regular Shareholders' Meeting, equivalent to 4.5 minimum monthly wages per meeting.

### Operation of meetings

Within the period, the Board held 13 meetings, 12 ordinary and one extraordinary. The average duration of each meeting was five hours, and it always complied with the agenda agreed for each session.

Priority at meetings of the Board was given to issues related with the implementation of the strategy and the adjustment of the organization as a business group. In this sense, it should be highlighted the monitoring of projects aimed at finding efficiencies in OPEX, CAPEX and supply; and governance issues related to updating the corporate framework of reference, the bylaws and operating rules for the Board and its committees.

With at least five days before each meeting, the Secretary of the Board, made available to the members the documentation related to the topics to be discussed at the relevant session and the additional information requested.

At the beginning of each meeting, the Secretary verified the quorum. All meetings had deliberative and decision-making quorum. Although both principal and alternate members are summoned to the Board meetings, only the principal's vote is taken into account at the time of voting.

The assistance of the Board of Directors was as follows:

<b>ASSISTANCE BOARD OF DIRECTORS</b>		
<b>Principal Members</b>	<b>Alternate Members</b>	<b>% Assistance</b>
Ministry of Mines and Energy Minister	Ministry of Mines and Energy Vice-Minister of Energy	92,3
Ministry of Finance and Public Credit Vice-Minister General	Ministry of Finance and Public Credit Director of Public Credit and National Treasure	100%
Carlos Mario Giraldo Moreno (*)	Henry Medina González (*)	100%
Empresas Públicas de Medellín E.S.P. General Manager (*)	Jesús Aristizábal Guevara (*)	100%
Santiago Montenegro Trujillo (*)	Camilo Zea Gómez (*)	100%
Alejandro Linares Cantillo (*)	(**)	23,1%
Bernardo Vargas Gibsone (*)	Carlos Felipe Londoño Álvarez (*)	100%

(\*) Independent members

(\*\*) As of August 19, 2014, Tomás González Estrada took office as Minister of Mines and Energy and occupied the first line of the Board of Directors. On August 2014, Mr. Alejandro Linares was appointed as legal vice-president of Ecopetrol and since then, he no longer attended ISA's Board of Directors.

The approved minutes bear the signatures of the Chairman and the Secretary and are kept in the book, properly numbered in consecutive order in the central files of the Company.

### **Conflict of interest**

When the Board members believed there could be a conflict of interest in a specific subject matter discussed, they expressed accordingly to the others and refrained from participating in the discussion and decision-making, retiring temporarily from the room where the Board meeting was held, while they deliberated and decided on the topic.

Empresas Públicas de Medellín -EPM-, by electoral quotient, holds a place at ISA's Board of Directors. On March 28, 2014, the Regular Shareholders' Meeting appointed the General Manager of such entity, Mr. Juan Esteban Calle Restrepo as principal member.

However, Mr. Calle, based on the Good Corporate Governance practices set out in the Country Code and the performance evaluation of the Board, held late last year, concluded that it was prudent and highly recommended to address the permanent conflict of interest taking place given that EPM is an

energy carrier, which makes it a competitor to ISA, thus making the handling of certain matters difficult when the same person is the General Manager of EPM and in turn is part of ISA's managing body; therefore, as of February 2015 he resigned as principal member of line 4 of the Board, making clear that the right as shareholder will still be exerted by independent and qualified individuals for this purpose.

### **Committees of the Board**

As set out in Agreement 91 of April 25, 2014, which regulates the operation of the Board of Directors, ISA has the following institutional committees: Board and Corporate Governance Committee, Business Committee and Corporate Audit Committee.

#### **Board and Corporate Governance Committee**

The primary responsibilities of this Committee are to assist the Management on strategic, financial corporate governance and human talent matters; as well as see for the compliance with the Good Governance Code and assess the CEO.

15 meetings were held during the period; it is composed by the Vice-Minister of Energy, the Vice-Minister General of the Ministry of Finance and Public Credit, Santiago Montenegro Trujillo, Carlos Mario Giraldo Moreno and Carlos Felipe Londoño Álvarez.

#### **Business Committee**

It is in charge of analyzing and providing recommendations on investment initiatives considered in the growth strategy of ISA and its companies, as well as to monitor the businesses under execution. During the period, it held 15 meetings to analyze and provide guidelines on the business opportunities arising at the different sectors and markets on which ISA holds interest.

It is composed by the Minister of Mines and Energy, the Vice-Minister of Energy, the Vice-Minister General of the Ministry of Finance and Public Credit, Santiago Montenegro Trujillo, Bernardo Vargas Gibsone and Henry Medina González.

#### **Corporate Audit Committee**

It is the guiding and internal control facilitating body and its functions include ensuring that the Organization has an effective corporate control system. Its recommendations are related to the improvement of controls in governance, administrative, financial, technical and IT issues; as well as ethics management and the risk management system for money laundering and terrorist financing.

It held 9 meetings during the period and it is composed by the Director of Public Credit and National Treasure of the Ministry of Finance and Public Credit, Jesús Aristizábal Guevara, Carlos Felipe Londoño Álvarez and Camilo Zea Gómez.

#### **Board of Directors' Assessment**

Advancing towards the compliance with international best practices on the assessment of the effectiveness of the boards of directors as a corporate body, and following the recommendation to alternate between methodologies such as self-assessment and assessment made by external consultants, in 2014, ISA hired Spencer Stuart to perform an external assessment of the Board's performance.

The conclusions of the assessment highlight its leadership, functionality, added value, constructive contribution, adequate time commitment to strategy topics, proper operation and good balance between management monitoring and the Company's results.

The Board is confident and supports the Management, it respectfully challenges and makes demands on the same; likewise, the Management adheres to the Board and feels that great value is added thereto.

The results of the selection of the Board members so far have been satisfactory and this must be defended and preserved under any circumstance. Being a good member involves, in general, high commitment of time and lots of work discipline. Finally, the compensation received by them is considered adequate.

The assessing firm also made certain recommendations including: the validation of the compliance with certain measures suggested by the new Country Code and restructuring the Board to be composed of nine principal and no alternate members.

As primarily responsible, the Board should ensure that adequate control environment within the business group is in place; the promotion of a culture of knowledge and management of risk derived from the strategic definition and business processes; and that the roles, responsibilities and reporting lines are defined, even up to the appointment of a Chief Risk Officer –CRO–.

Regarding the Board committees, it is proposed to designate independent members of the Board as chairmen of such committees and engage the Chairman of the Board and the committees to participate in structuring the agenda of each session.

Under this context, it is recommended to have a more active agenda for the Board and the Corporate Governance Committee and that HR issues should be further addressed therein to then share them with the full Board. Designate from the Board, upon the recommendation of the Audit Committee, the Internal Auditor and promote the definition in the bylaws of a policy for renewal of the Statutory Auditor.

Finally, it also recommends establishing that the Board is composed of a variety of profiles as: presidents of large organizations; international experts from Latin America; lawyers for big business cases; international investment bankers; people with expertise on / promoters of sustainability issues, community relations, new business and human resources; and economists with experience in public service, multilateral agencies and large companies.

The assessment was conducted between October 15 and December 11, 2014; 26 interviews were held with 11 members of the Board, seven former members and eight members of the Management.

At last, please be informed that each and all members of the Board of Directors provided their knowledge, expertise, devotion and critical and positive attitude towards ISA's growth and sustainability.

The Secretary of the Meeting read out loud the sixth item of the agenda.

## **6. 2014 PERFORMANCE REPORT, BOARD OF DIRECTORS AND CEO, IN CHARGE OF ISA's CEO, Mr. LUIS FERNANDO ALARCÓN MANTILLA**

Following, Mr. Luis Fernando Alarcón Mantilla, CEO of the Company, presented the 2014 Performance Report of the Board of Directors and the CEO, in the following terms:

"I will begin with a brief reference to the development and implementation of ISA'S 2020 corporate strategy we presented in detail last year, and to remind you about the main elements of this strategy, let me say that the primary recommendations adopted within that Strategic direction are applied on businesses held by ISA, at the countries where ISA is present; the search, as mentioned by the Minister, for increased profitability of current operations seeks growth with high profitability and of course within ISA's framework, which means a company involved in the operation and development of different projects, the various infrastructure projects in which it participates. Our vision for 2020 is summarized as follows, and there is where we are going: in 2020, ISA will have tripled its profits by capturing the most profitable growth opportunities in its existing businesses in Latin America, based on operational efficiency and optimization of its business portfolio. That is the main goal; those are the guidelines we have followed in recent times.

In 2014 we implemented the business reorganization that resulted from the analysis made during the strategic review; as you know, from the first of January 2014, ISA began operating in a different way, ISA became the business group's parent company engaged in the strategic management of the group, capturing growth opportunities, and promoting the efficiency of its various activities. The Management of the electricity transmission assets that form part of ISA's assets is now developed through Intercolombia, a new subsidiary created for this purpose; here in the diagram, you can see it in blue and like the other national and international subsidiaries, they are part of this business conglomerate.

During 2014, it was really important to work intensely and fast on the implementation of the strategy regarding its three strands: growth with higher profitability, return on current business and management of our business portfolio. Great achievements were obtained. First, regarding growth with higher profitability, on one hand, we had our profitability goals in the submission of tenders but, on the other hand, we were very successful in achieving new business: from 30 bids submitted to carry out new investments, we obtained 17 successful bids with a success rate of 60%; regarding the profitability of current operations by seeking major improvements in our operating practices, on project structuring and supply, we identified savings for thirty million dollars in the OPEX of the companies, corresponding approximately to thirty percent of the goal we set for 2020; therefore, we note that all these definitions are now being materialized, as well as all those purposes we set in the strategic direction; and, regarding the company's management, the business portfolio, we adopted a methodology for assessment, an analysis of the portfolio of investments to improve its management.

The sustainability issue is essential in our business approach; therefore, sustainability is no just a word for us, or a purely abstract approach; at ISA, sustainability is a business approach that enables the company in a responsible transparent and ethical manner to manage business opportunities and socio-economic, environmental and social risks, all this in order to create value for the various stakeholders, for the shareholders and other stakeholders, keep our competitive advantages and contribute with the development of the communities where we operate. All this is materialized in commitments to the various stakeholders. Here you have expressions in connection with all of them and I must emphasize that this year throughout 2014, ISA was recognized as one of the 20 most sustainable companies in Colombia based on the analysis made by a Canadian independent evaluator called "Sustainalytics". Additionally, we received the quality seal certification from the Colombia Stock Exchange and we acted in different fronts; we had an outstanding score on the assessment made by Transparencia por Colombia where we obtained nine points above the industry average; we carried out actions to promote human rights at many communities where we operate; we conducted institutional strengthening projects with 3250 beneficiaries; we had a substantial improvement in the assessment on organizational climate within the company; we worked on the issue of climate change by offsetting the greenhouse gases emitted by the company, we carried out the educational transformation project, which in five years should represent 54.500 benefited students and 470 benefited educational institutions; there were numerous and consistent actions undertaken in this sustainability issue.

Now, let's see the progress in our various businesses. First, highlight as the Minister did, the extended presence that ISA has in the region, where it is recognized as a true multilatin leader in the areas of infrastructure, activities we have conducted through 33 subsidiaries in eight countries and additionally in Central America through our four business lines, and those are the subsidiaries that compose our business group today. Of course, energy transmission remains our core business; this map shows our presence in the region where the countries identified with dark blue, are those countries where today ISA is present in the energy transmission business. Certainly, ISA has established itself as the largest international energy carrier in Latin America; today our infrastructure is physically composed of 41,500 kilometers of high-voltage circuits, a transformation capacity of 77,700 MBA' s and we are present in Colombia, Peru, Bolivia, Brazil, Chile, Panama and Central America. Our quality indicators measured by the availability of the grid in different countries, are excellent and exceed the limits set by the various regulators.

During the year, in 2014, fifteen new projects came into operation in Colombia, Peru and Brazil, in total projects with about 1,000 kilometers of new transmission lines and 2,000 MBA of additional transformation capacity representing approximately an investment of 280 million dollars. ISA

continued growing in the region during the year, putting into operation new works implemented in recent years, but further and as noted during the year we were very successful in a number of projects in different countries, in total there will be projects that will demand investments, which we won last year, for an amount close to 400 million dollars and involve the construction of 800 kilometers of transmission lines and 3,300 MBA of transformation, there were three expansion projects in Colombia, three projects in Peru and two projects in Chile, we earn during this period in the business of energy transmission, in addition, and this is very satisfactory, this year we have been very successful in participating in the open bids made by UPME in Colombia, in last February, ISA was awarded with two very large UPME projects, which are: the Caribbean Coast reinforcement project and the project for the interconnection of Ituango hydroelectric project, a project with close vicinity to the region, which will involve for us revenues from the entry into operation of these projects for approximately 59 million dollars, they will consist in 860 kilometers of circuit and 2850 GMBA of transformation; and by the way, yesterday we won a new bid, small, but also very satisfying to remain being successful in these processes carried out by the authorities in different countries.

In the telecommunications transport business, our subsidiary Internexa has created the largest continued terrestrial network on the continent, almost all and with the exception of Uruguay, Paraguay, Bolivia and Guyana, we have all South America interconnected with optical fiber; they are in total 26,700 kilometers of optical fiber that provide access to seven heads of submarine cables. We are present in Colombia, Venezuela, Ecuador, Peru, Chile, Argentina and Brazil, and have a stake in the fiber optic network in Central America, known as REDCA; moreover, it is not only the size of the infrastructure, Internexa won in 2014 the prize for best wholesale supplier and best service for the fourth consecutive year, a recognition granted by the Metro Ethernet Forum. During 2014, we achieved progress in consolidating Internexa's operations, revenues grew in fifty-six percent and managed to stabilize and create a favorable growth path in the Southern countries: in Chile, in Argentina and Brazil, where operations began recently in particular, we see great opportunities in Brazil, which is the market in the region with the greatest potential and where we have consolidated a fiber optic network of 6,800 kilometers.

In the road concession business, as you know, our current participation consists on being the largest operator of toll roads in Chile: five contiguous concessions, with a total of 907 kilometers, as you can see, that go from Santiago to Rio Bueno, 907 kilometers south of Santiago; it is a very large operation. Over a hundred million vehicles transit our roads and we collect in tolls about 400 million dollars; but as you know, we are working on the expansion of this toll road concession business; in Chile, we are conducting some expansions agreed with the Ministry of Public Works to strengthen and increase the transport capacity in our existing roads, then on the MAIPO route, we are carrying out the process of constructing third lanes or third tracks as called there and in Colombia we are working to find opportunities, seeking to participate in fourth generation projects, as you well know; it is a very ambitious program conducted by the National Transport Agency, so far we have not been successful in this process, we continue working hard, and it's worth mentioning that we are closely involved in the Medellin River park project in Colombia, through a memorandum of understanding signed with the municipality of Medellín and Empresas Públicas de Medellín; our discussions with Mayor Gaviria conclude that it would be ideal for the city that two companies of the strength and knowledge of Empresas Públicas de Medellín and ISA, would be in charge of the development and implementation of this important project, then we are making great progress in the dialogue with both of them, which should lead to the final structuring of the project.

In the business of intelligent management of real-time systems that we conduct through our subsidiary XM, first, we take the huge responsibility of operating the resources of the national interconnected system, attending the demand of the country consisting of nearly 64,000 gigawatts hour, managed, coordinated by the brain of the electrical system that is XM; we also manage the wholesale energy market through which over 13 trillion pesos are moved in transactions by agents. Our intention in this intelligent management of real-time systems business is to transfer the experience and knowledge that XM has gained for several decades to other sectors in benefit of the country; this way, XM is currently the manager of the mobility control center of Medellín, we also supported the DIAN (Tax and Customs Office) last year in the structuring of a project to streamline the national customs management system and we hope that these recommendations and the work plan identified last year



can be implemented in higher phases, for which we are holding discussions with the government, we are advancing an important initiative oriented to implement modern demand management methods, not only in Colombia but in other countries of the region and we have worked with the department of Antioquia in the search for technology tools to track the execution of infrastructure works in the department and we are working to find new opportunities in different sectors, where this knowledge, experience, technical capacity of XM, a unique company in Colombia due to its high level of talent, human capital and knowledge can be transferred to other activities.

The financial results are now a topic of great interest for all of you, shareholders. They were really good. Net income was 593 billion pesos with an increase of 37% compared to the income last year; some events that affected the results were related to the tax reforms in Colombia and Chile, which in terms of tax payment will be applied from this year, but affect us regarding deferred taxes as it is necessary observing the future tax rates, which increased in both countries; it is also important to mention the impact of the currency devaluation in different countries, in Colombia, Chile and Brazil against the U.S. dollar, effect that somehow is compensated after the final result but in spite thereof is an issue that impacts the results of the company. The breakdown of the results is very simple, consolidated revenues of ISA, that is, the financial statements consolidating all the operations of our companies, grew 8.9%, this due to the natural growth of income, the entry into operation of new projects, and finally to the natural effects of revenue growth for the company, but against this 8.9% increase on revenues, the important thing is that costs and expenses did not grow but decreased slightly by 0.4%, this mainly due to the efforts that have been made in pursuit of efficiencies and in our Brazilian subsidiaries there where lower expenses in various aspects of the operation; therefore, it is logical and natural that the EBITDA, which is the difference between those two items, increased by 13.1% and the EBITDA margin of the company substantially improved from 56.9% to 58%, this is then the topic related to operating results. Regarding the non-operating result, there was also an improvement given that in 2014 it was necessary recording a provision associated with a contingency called Law 4819 related to the recognition of non-statutory benefits to pensioners of the Company and other companies in the state of Sao Paulo, provision that was made for 354 billion pesos; this provision that certainly does not go full in practice into ISA's financial statements, as it is partially offset by the impact of the reversal of provisions of ISA Capital do Brasil and the impact it has on our other shareholders, our partners category through the item of minority interest, but we'll see that later.

Regarding taxes, there is a significant increase of 314%, largely because in 2014, because the provision that took place had an important effect on tax reduction in Brazil; therefore these taxes significantly increase during this year and this is the final result. As noted before, net income increased 37%, a satisfactory result, and as stated at the beginning, increase in revenues is near 10%, an almost 0% increase in costs and expenses, which leads to a substantive improvement on the company's income. In terms of the balance sheet, assets increased 13.4%; shareholders' equity increased 16.8%, increased assets due to more construction projects, a major financial asset in Brazil and partially due to the conversion effect given the Peso devaluation. As regards equity, it is due to higher profits and how they persist. In connection with the group's debt, there is an increase of 8.4% mainly explained by the devaluation of different currencies. Setting aside the conversion effect of currencies, there is an actual debt decrease for 300 billion pesos, but after converting other countries' debt into Colombian pesos, then there is a debt increase.

Besides these consolidated financial statements, it is necessary presenting ISA's individual financial statements, which are to be approved by the Regular Shareholders' Meeting. It should be noted that starting in 2014, ISA's financial statements included the current operation of Intercolombia. Given that we are now separating Intercolombia and that due to a joint partnership agreement, Intercolombia is the manager of our assets, there is a reduction of revenues and costs and expenses of ISA as we will now discuss, but it is important to clarify this because as you will see here, ISA's individual expenses fall from 907 billion to 781 billion, but if you note in the following line, the Company's AOM (Administrative, Operating & Maintenance) expenses fall from 392 billion to 112 billion Pesos, given that Intercolombia's operation, mainly AOM expenses incurred by Intercolombia to manage are assets are deducted from income; we receive the net value collected by Intercolombia less its AOM expenses, but also the expenses of that company are not included in ISA's expenses; this clarification is necessary because the final result, given that we have not yet changed to NIIF, makes the final result from the consolidated financial statements to have an income of 593 billion Pesos with a 37%

increase compared to last year, ISA's individual equity grew 15.9%, assets increased 10.3%. Some considerations on the stock behavior; last year was an unusual year, U.S. economic recovery began, in very strong terms, which has led to a very good performance in the stock market in that country; as you can see in the line above where the standard index grew 11.4% during 2014. In Colombia the stock market measured by COLCAF fell 5.8% in 2014, the performance of ISA's stock was very close to the behavior of the Colombian market with some transitional and temporary differences; the final result of our stock: it fell 5%, a little less than the Colombian stock market, but throughout Latin America the Morgan Stanley aggregate index for Latin America fell 14.1%, that is, Colombia seemed to be slightly better than the other countries in the region; ISA was marginally better than the Colombian market, and in the U.S. things worked very well, in terms of market stock.

This is then a very quick summary of the achievements of this year.

Before concluding, I would like to call your attention on two great challenges faced by ISA, by our business group, in the immediate future; they are concentrated, in one side, on Brazil where I believe it is important to inform you the status on the recognition of compensation still owed to us by the Brazilian government after the changes taking place in 2012, following all procedures set by the Brazilian regulator. Last year, on August 13, we submitted to ANEEL the appraisal report of that compensation based on the set of assets of CTEEP, subject to that compensation process; that appraisal was made by an independent appraisal firm, following the standards, which amounted 5,186 million Reales of December 2012. This year, on January 8, CTEEP received the fiscalization report from ANEEL, according to which that amount is reduced in nearly 30%, in 3,650 million Reales. We believe that after following the procedure set by ANEEL, there is no reason for the readjustment of that appraisal proposed by ANEEL; consequently, we filed a reconsideration petition regarding which we have not received reply; we expect to have a final pronouncement from ANEEL in the next few days and in case such pronouncement is not at satisfaction, we would have to file a recourse before the full directorship of ANEEL; I should highlight that we have received great cooperation from the National Government to expose our position before the Brazilian authorities and to express the importance of this topic for us and also our surprise for the capricious and arbitrary reviews we believe has taken place.

The second issue I want to mention, a major challenge for the immediate future, is the transmission tariff review which is being conducted by the CREG in Colombia since last year; this is a power in the head of the CREG, which must be conducted in accordance with pre-established parameters, approximately every five years; over the past year, the CREG issued circulars with contracted studies related to the remuneration methodology, along with the valuation of the construction units and the project to set the remuneration rate to pay for our investments. This year, February 19, it issued Resolution 178 which now presents a draft resolution with the proposed methodology and some aspects, not all, related to the application of that methodology; it should be noted that ISA from the beginning has been extremely diligent with all these issues and we have sent our comments and our analysis to the CREG to be taken into account. In our opinion regarding the CREG'S proposal, there is a change in the remuneration model for transmission and for the handling of the transmission in Colombia that has serious substantive implications not only on the companies but also on the management of the system. That proposal somehow involves co-management of the transmission assets by the authorities and could even impact reliability and the way to carry out the company's activities; on the other hand, if they insist on this methodological change, we have stated to CREG, to the authorities, it is necessary to correctly define a transition regime, an adequate remuneration rate and a correct calculation of constructive units to be remunerated. Note that the system or model from transmission management in Colombia is almost identical to the Chilean model where this kind of changes took place for the first time worldwide; we should be all aware that Chile has a continent leadership in these regulatory and good practice topics; on the other hand, the change proposed by CREG seeks to divert from those renowned good practices in the Chilean model to the Brazilian model which good practices are not precisely the best and which complex regulatory approaches have been and are being suffered by us. We have clearly stated this to the Government, to the regulators and we hope that our remarks will be reasonably taken into account. We will certainly continue watching these developments and ISA will continue participating in the different discussion instances and presenting our points of view.

Now, we come to the end, I just want to thank you all, the shareholders, our suppliers, our clients, the governments from the countries where we operate, the Government of Colombia with whom we permanently acted, but a special recognition to you, shareholders, that during these 8 years have been friendly and warm with the company and me; very special thanks to the Board of Directors, which has worked with me, shoulder to shoulder with the administration, proposing ideas; I believe that our performance has largely strengthened by having a board with the qualities of those you have elected to manage and guide the company's performance; they know I am very grateful for their support, all cooperation to properly manage the company and of course a special sign of appreciation to all ISA's collaborators in Colombia and abroad, to its directives in Colombia and the different subsidiaries abroad; I believe that its people is the greatest asset of this business group, committed people, people encouraged by the achievements, always inspired on finding the best for the Company and seeking the completion of the objectives proposed. So to all of them and especially to the directive team that works directly with me, all my gratitude, my appreciation. I take ISA in my heart and my best thoughts. Thank you very much”.

The Secretary of the Meeting read out loud the seventh item of the agenda.

#### **7. REPORT FROM THE BOARD OF DIRECTORS AND CEO ON COMPLIANCE WITH AND DEVELOPMENT OF GOOD GOVERNANCE CODE, BY MR. SANTIAGO MONTENEGRO TRUJILLO.**

Mr. Santiago Montenegro Trujillo, acting as Chairman of the Board of Directors, addressed to the Meeting to greet the audience and read the report from the Board of Directors and the CEO on the Compliance with the Good Governance Code, in the following terms:

“In compliance with the Bylaws and the Good Governance Code, as Chairman of the Board of Directors of Interconexión Eléctrica S. A. E.S.P. –ISA–, please be informed of the executive summary on the compliance with and development of the Good Governance Code for the April 2014 – March 2015 period, which you will find in detail in the Performance Report and may be consulted at ISA's website: [www.isa.co](http://www.isa.co)

#### **About the Regular Shareholders' Meeting**

The call for the Regular Shareholders' Meeting of March 28, 2014 was published in two newspapers, a nationwide and local distribution newspaper.

On March 2, 2014, through nationwide newspaper, the Company reminded shareholders about the date for the Meeting and published the information concerning the powers to be represented in the same.

At the same time, ISA disclosed through its website the notice for the call, the agenda, the propositions submitted for consideration and the listing and résumé of the candidates presented by the Nation, acting as majority shareholder, to join the Board of Directors.

The Meeting had the quorum required by the Law, the topics approved in the agenda were submitted for consideration of the shareholders and the development thereof was transmitted by streaming, real-time, via Internet.

The minutes were signed by the Chairman and the Secretary of the Meeting and by the corresponding commission, and such document recorded the topics discussed, the approvals and authorizations granted by the Meeting and the observations made by the shareholders. The minutes were registered before the Chamber of Commerce of Medellín and the copies thereof were sent to the Financial Superintendence of Colombia and the Superintendence of Household Utilities.

For information of the shareholders, an abstract of Minutes 103 corresponding to the Regular Shareholders' Meeting of March 28, 2014 was published in the Company's website.

#### **About the Management**

The Regular Shareholders' Meeting of March 28, 2014 elected the Board of Directors for the April 2014 – March 2015 period. All members expressed their acceptance in writing, as recorded with the Chamber of Commerce where the Company holds its head office.

Pursuant to the bylaws, the Management is composed of the CEO, the Vice-Presidents, and Corporate Directors. The professional quality and experience of the Company's managers may be consulted in the website, Corporate Governance section.

The CEO is assessed in accordance with the results of the indicators included in the comprehensive management chart, which reached compliance of 74.8% above the lower goal.

On meeting dated February 27, the Board of Directors conducted assessment of the CEO, Mr. Luis Fernando Alarcón, as leader of the business group during 2014. The assessment considered diverse aspects that comprise his accountability in the guidance of the group, including compliance with goals and the budget provided for the period:

"The Board welcomes the soundness of the financial results, which main indicators showed a higher performance than the expected behavior. Net income increased 37% compared to last year and showed a performance of 120%. EBITDA margin, operating margin and net margin indicators also had outstanding increases between 2013 and 2014: operating revenues and operating costs and expenses were 101% and 92%, respectively. In terms of the consolidated balance sheet, the assets increased by major projects under construction in Peru, larger financial assets in Brazil and increased deferred taxes in Chile; similarly, liabilities increased due to the recognition of changes in the tax rate in Chile and equity increased by the income for the year and the conversion of investments.

Also the progress in the implementation of the ISA 2020 strategy, approved by the Board is to be highlighted. In 2014, the Company was committed to the implementation of the ISA 2020 Strategic Plan, which confirms the choices of the business model in relation to its traditional activities and materializes the actions arising from the strategic areas that are required to increase ISA's profitability in the coming years.

ISA 2020 strategic plan stipulated that 2014 was to be a challenging year. Besides starting the operation of ISA as parent company and subsidiary INTERCOLOMBIA, it was necessary achieving early victories in all projects undertaken, mobilizing the commitment of the whole organization towards achieving the strategy and translating high aspirations into short and medium term goals. The results associated with the strategic priorities reaffirm the strength of the competitive position of ISA's businesses to keep generating value over time.

The result of the organizational climate assessment is also outstanding; although it was made in a year of major changes for the Company, it showed the best favorability outcome (70%), since 2007.

The soundness of the 2014 financial results of ISA and its companies, the progress in implementing strategic initiatives and the organizational climate management, account for the management capacity, energy, strategic vision, focus on achievements and leadership of Mr. Alarcon whose commitment and dedication successfully led the strategy, the resources, the human resources and the decisions to achieve the current results and ensure effective implementation and business continuity.

In virtue of his resignation to the CEO position at ISA, the Board wishes to extend this recognition to the work performed during his administration (2007-2015). ISA had an unprecedented transformation and consolidation, businesses were diversified by venturing into road concessions with the acquisition of the largest inter-city concessionaire in Chile, by extending the presence of the Company from 5 to 8 countries in the region, total assets grew 109% and net income increased 162%; these facts greatly contributed to the position and recognition that ISA holds today in Latin America and reveal his great management skills, strategic vision and effective contribution to the Company's results.

The Committee members concluded, unanimously, that there are wide and favorable expectations for ISA's future, as the successful implementation of the strategic transformation and leadership shown by Mr. Alarcon and his management team are key factors that will become a solid basis to the new administration for the sustainability of companies. The challenge now is to continue on the path of growth and consolidation of a company that is the heritage for Colombian people. "

Vice presidents, directors and other employees of the Company are evaluated according to indicators established for each level and based on the same, the improvement plan for the next period is prepared.

To negotiate ISA's shares, their administrators must have the authorization of the Board of Directors, as provided in Agreement 60 of 2006 of the Board. ISA does not use special mechanisms of payment or compensation with Company shares for employees, managers or administrators.

### **About Control**

The Company, in its process of monitoring and permanent control, responded with efficiency and timeliness in providing information and/or documents to government control bodies and obtained ratings from the authorized rating agencies.

### **External control bodies**

ISA submitted the reports requested by competent external bodies.

Gestión y Auditoría Especializada Ltda. acted as external auditor for management and results for the period 2013-2014; in its report published in national press (July 10, 2014), it said that the internal control system effectively fulfilled the stated control objectives, that the Company's risk level is low, and that its methodology for identifying and managing risks is appropriate and that no situations indicating the existence of problems in the financial viability of the Company were observed. The report was submitted to the Superintendence of Household Utilities.

During the April 2014 – March 2015 period, Ernst & Young acted as Statutory Auditor. In compliance with its legal duty, such firm will present to the Regular Shareholders' Meeting an opinion on the management, financial statements and administration of the Company.

Credit rating agencies reaffirmed the financial strength and soundness of ISA and its companies. In 2014, Standard & Poor's raised the corporate credit rating of ISA from BBB- to BBB with outlook stable.

For further knowledge and analysis of shareholders and investors, the report from the Statutory Auditor, the opinion of the External Auditor and the rating from the credit rating agencies are published on the website of the Company.

It is important to add that during the period there were no requests from shareholders or investors to perform special audits, or investigations by the supervision and control entities involving ISA.

### **Internal control bodies**

Corporate Audit systematically performs at ISA and its companies the assessments of their internal control systems with impartiality, objectivity and independence to fulfill its function, as provided by international auditing principles and practices. To fulfill this responsibility, work plans are agreed with the audit committees of each company, which according to their risk levels and their peculiarities, offer guidance and strategies.

To contribute to strengthening the Internal Control System, audits were performed in 2014 on business issues, and assessments were carried out to administrative, technological and financial processes. Evaluations conducted by the Corporate Audit confirmed the compliance with both the internal and external regulatory framework and did not show any significant or substantive deviations that might endanger the business continuity of ISA and its companies, finding that it is consistent with the assessments from external control bodies that issued favorable opinions on the internal control system.

### **Stakeholders**

The rights and obligations with shareholders and investors and the legal and economic relationships with suppliers may be consulted in the Sustainability Report.

### **Relations with the majority shareholder**

ISA has entered into inter-administrative agreements with the Nation, which is its majority shareholder; by the end of 2014 the following was in force:

GSA-57-2009-ISA4000763 Interadministrative Agreement between the Nation-Ministry of Mines and Energy and ISA, for the overall management and implementation of FAZNI resources; construction of Popayan - Guapi 115-kV line and its associated substations, signed on October 13, 2009 and extended by addendum in December 2014 for a total value of COP 286.270 million.

### **About Risks**

ISA and its companies complied with the Policy for Comprehensive Risk Management through the identification, evaluation and implementation of measures to manage the risks to which they are exposed.

Each company has its own risk map and an assessment made of them, based on the probability of occurrence and severity of its consequences on the fundamental resources (financial, human, information and reputation), prioritizing the most relevant for development of its operations and the achievement of the strategy. Also, it monitors their status and defines and implements measures to improve their management. Periodically, the companies present the progress in their management and the main events that have been materialized.

On the website and in this report, ISA publishes a risk map, the most significant events and major management measures implemented to mitigate its impact.

### **About information provided to the public**

ISA, through its website, informs the public about the events of the Company.

### **Compliance with the Good Governance Code**

During 2014, the Good Governance Code was not amended and its compliance was monitored by a verification mechanism. The central axes of verification of compliance were providing information on the website, reporting to control and monitoring bodies, reporting through the mechanism of verification and the reports submitted to the Board.

The audits on the implementation of Good Corporate Governance Code, conducted annually by Corporate Audit and the Statutory Auditor, did not show any findings that might jeopardize the fulfillment of commitments.

In addition, shareholders and the general public did not report any breach of the Code through telephone calls or the mail boxes available for the effect.

It should be noted that in addition to the above instances, the Financial Superintendence of Colombia is also available to shareholders, especially minority shareholders "

The Secretary of the Meeting read out loud the eighth item of the agenda.

## **8. PRESENTATION OF ISA'S INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014**

The Secretary of the Meeting reported that the financial statements were made available to the shareholders during the legal term, pursuant to the Code of Commerce and other rules concerning the right of inspection; therefore, an initiative has been submitted to the Secretariat to omit reading the Financial Statements, filed by Mrs. MARIA ALEJANDRA GIL DUQUE, representing the shares of Empresas Públicas de Medellín E.S.P, shareholder of ISA.

The Secretary of the Meeting informed that the wording of the proposition was as follows:

“Medellín, March 27, 2015

Messrs.

REGULAR SHAREHOLDERS' MEETING DE INTERCONEXIÓN ELÉCTRICA S.A. E.S.P –ISA  
S.A. E.S.P-

Present

Dear Sirs:

Considering that ISA's financial statements and consolidated statements, the accounting books and other documents required by law, have been available to the shareholders, and also that today we have been provided with the information containing ISA's financial statements and consolidated statements as of December 31, 2014, the Notes to these Financial Statements, the report of the Board of Directors and the opinion of the Auditor, I hereby propose to omit reading them, as such action would be very lengthy and time-consuming for the development of the Meeting.

Sincerely,

MARIA ALEJANDRA GIL DUQUE

Representative of shares of Empresas Públicas de Medellín E.S.P.”

The Chairman of the Board of Directors, asked the Meeting if it approved the proposition to omit the reading of ISA's financial statements and consolidated statements:

**Approval:**

The meeting, by majority, approves the proposition.

Following are such shareholders abstaining to vote:

PROXY OR REPRESENTATIVE	SHAREHOLDER
DUQUE JARAMILLO JUAN DAVID	FIDUCOLOMBIA - ISA ADR PROGRAM
CORELLO VANESSA	AMP EMERGING MARKETS INDEX FUND
MANUELA RESTREPO BARRIOS	AVIVA LIFE AND PENSIONS UK LIMITED
MANUELA RESTREPO BARRIOS	SHELL TRUST (BERMUDA) LIMITED
MANUELA RESTREPO BARRIOS	SHELL PENSIONS TRUST LIMITED AS TRUSTEE OF SHELL CONTRIBUTORY PENSION FUND
MANUELA RESTREPO BARRIOS	BUREAU OF LABOR FUNDS-LABOR PENSION FUND
MANUELA RESTREPO BARRIOS	STICHTING SHELL PENSIOENFONDS
MANUELA RESTREPO BARRIOS	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL

MANUELA RESTREPO BARRIOS	BRITISH COAL STAFF SUPERANNUATION SCHEME
MANUELA RESTREPO BARRIOS	VANGUARD INVESTMENTS AUSTRALIA LTD ATF VANGUARD EMERGING MKTS SHARE INDEX FUND
MANUELA RESTREPO BARRIOS	VANGUARD INVESTMENTS SERIES
MANUELA RESTREPO BARRIOS	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND
MANUELA RESTREPO BARRIOS	BLACKROCK INDEXED EMERGING MARKETS IMI EQUITY FUND
MANUELA RESTREPO BARRIOS	STATE OF WYOMING, WYOMING STATE TREASURER
MANUELA RESTREPO BARRIOS	SBC MASTER PENSION TRUST
MANUELA RESTREPO BARRIOS	JNL / MELLON CAPITAL EMERGING MARKETS INDEX FUND
MANUELA RESTREPO BARRIOS	BLACKROCK INDEX SELECTION FUND
MANUELA RESTREPO BARRIOS	CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND
MANUELA RESTREPO BARRIOS	ONEPATH GLOBAL EMERGING MARKETS SHARES (UNHEDGED) INDEX POOL
MANUELA RESTREPO BARRIOS	UBS GLOBAL ASSET MANAGEMENT LIFE LTD
MANUELA RESTREPO BARRIOS	CITY OF PHILADELPHIA PUBLIC EMPLOYEES RETIREMENT SYSTEM.
MANUELA RESTREPO BARRIOS	RETIREMENT INCOME PLAN OF SAUDI ARABIAN OIL COMPANY
MANUELA RESTREPO BARRIOS	FLEXSHHARES MORNINGSTAR EMERGING MARKETS FACTOR TILT INDEX FUND
MANUELA RESTREPO BARRIOS	FUNDACAO CALOUSTE GULBENKIAN
MANUELA RESTREPO BARRIOS	FIDELITY INVESTMENT FUNDS- FIDELITY INDEX EMERGING MARKETS FUND
MANUELA RESTREPO BARRIOS	SHELL FOUNDATION



MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 400045796
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 400045792
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 400045794
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 400045828
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 400045829
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUN 400045795
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE FOR PENSION FUND ASSOCIATION 400039078
MANUELA RESTREPO BARRIOS	CGI CONN GEN LIFE
MANUELA RESTREPO BARRIOS	AVIVA INVESTORS
MANUELA RESTREPO BARRIOS	HSBC ETFS PUBLIC LIMITED COMPANY

The Agenda continued and the Secretary of the Meeting read out loud the ninth item of the agenda.

## 9. STATUTORY AUDITOR'S REPORT

The Minister, acting as Chairman of the Meeting introduced the Statutory Auditor, Mrs. Alba Lucia Guzmán Lugo, to read out loud the report on the individual and consolidated financial statements as of December 31, 2014.

Mrs. Alba Lucia Guzmán Lugo acting as Statutory Auditor, spoke to the Meeting in the following terms:

"Mr. Shareholders, I have audited the financial statements of Interconexión Eléctrica S.A. E.S.P. comprising the balance sheet at December 31, 2014 and the related statements on the social and environmental economic financial position, statement of changes in equity and cash flow statements

for the year then ended and the summary of significant accounting policies and other Explanatory notes. The financial statements at December 31, 2013 were audited by another statutory auditor whose report dated February 27, 2014 issued an opinion without any remarks thereon.

Management is responsible for the preparation and fair presentation of financial statements in accordance with public accounting principles generally accepted in Colombia, set by the General Accounting Office and accounting regulations issued by the Superintendence of Household Utilities, also responsible for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements free of material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies and establishing reasonable accounting estimates in the circumstances. My responsibility is to express an opinion on these financial statements based on my audit, I obtained the information necessary to fulfill my duties and conducted my audit in accordance with auditing standards generally accepted in Colombia, those rules require that an audit be planned and carried out to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes performing procedures to obtain evidence supporting the amounts and disclosures in the financial statements and the procedures selected depend on the auditor's judgment including risk assessment of material risks of the financial statements. In the process of assessing these risks, the auditor considers internal control relevant to the preparation of financial statements in order to design audit procedures that are appropriate in the circumstances; also includes assessing the accounting principles adopted and significant estimates made by management and the overall presentation of the financial statements, I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements present fairly, in all material respects, the financial position of ISA to December 31, 2014, the results of operations and cash flows for the year then ended in accordance with the principles of public accounting generally accepted in Colombia prescribed by the General Accounting Office and accounting regulations issued by the Superintendence of Household Utilities. As indicated in the notes to the financial statements, CTEEP, ISA's subsidiary through ISA capital do Brasil, has a claim before the Brazilian Energy Agency, ANEEL relating to compensation for assets classified as existing services, on the occasion of the 2012 renewal of concessions related to Law 2783 of 2013 and ANEEL's Technical Note 402 of 2013; the result of the appraisal of compensation by CTEEP in 2014 was about 4.6 billion 2012 basis. On January 8, 2015 CTEEP received from ANEEL an appraisal of approximately 3.2 billion, 2012 basis, an amount that represents a lower value of about 1.4 billion; therefore, the process of argument is taking place by the parties to define the final value of compensation. The accompanying financial statements do not include adjustments related to such compensation which results cannot be predicted to date. As indicated in the notes to the financial statements, CTEEP, ISA's subsidiary, has recorded a net balance of receivables with the state of Sao Paulo for about 722,460 million related with impacts under Law 4819 of 1958 million that granted employees of companies under the control of the state of Sao Paulo benefits already granted to other public servants. CTEEP has advanced legal actions before the respective state authorities to collect these receivables; the financial statements do not include any adjustments that might result from the outcome of this uncertainty; also, based on the scope of my audit, I am not aware of indicative situations of failure in compliance with the following obligations of the company:

1. Keep books of minutes, register of shareholders and accounting in accordance with legal regulations and accounting techniques.
2. Develop operations in accordance with the bylaws and decisions of the Shareholders' Meeting and the Board of Directors and the rules relating to comprehensive social security.
3. Keep correspondence and accounting vouchers.
4. Adopt measures for internal control and conservation and custody of the assets of the company or third parties under its power.
5. Implement mechanisms for the prevention and control of money laundering, terrorist financing, in accordance with the instructions issued by the Financial Superintendence of Colombia under Circular 62 of 2007.

Additionally, there is consistency between the financial statements and the accounting information included in the management report prepared by the management of the company, which includes perseverance by the administration on the circulation of invoices with an endorsement issued by sellers or suppliers.

Report given on Medellín on February, 27 2015.”

Following, the Secretary of the Meeting read out loud the tenth item of the agenda approved.

**10. APPROVAL OF ISA’S INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014**

The Secretary of the Meeting expressed that in accordance with Article 185 of Code of Commerce, the managers and employees of Company cannot vote on the balance sheets and end-of-date accounts.

Although the individual and consolidated December 31, 2014 Financial Statements were not read out loud, as per proposition approved by the Regular Shareholders’ Meeting, they were provided to the shareholders attending the meeting.

The Chairman, asked to the Meeting for approval after being aware of the Performance Report, the individual and consolidated December 31, 2014 Financial Statements, the accounting books and other documents ordered by Law, as well as the Statutory Auditor’s report.

**Approval:**

The Chairman of the Meeting gave the floor to Mr. Orlando Bedoya acting as shareholder in the following terms:

“Good morning, given that the reports presented are in Colombian Pesos, I have a concern regarding the statement made by the statutory auditor because she talked about figures related to CTEEP but I didn’t hear if it were in Colombian pesos. But in the case of the CEO’s report, I find that he did express the figures in Reales, please clarify if one or other report are in Colombian Pesos or Reales”

Mrs. Alba Lucia Guzmán Lugo acting as Statutory Auditor clarified the above in the following terms:

“Good Morning, ISA’s financial statements are prepared in Colombian Pesos and the references made by the Statutory Auditor are in Colombian pesos”

Mr. Luis Fernando Alarcón acting as CEO of the Company replied in the following terms:

“It is completely valid, Mr. Minister, the truth is that the amount of the compensation currently under discussion according to the appraisal submitted by CTEEP was equal to 5.1 trillion Reales; I believe that the reference made by the Statutory Auditor this is equal to an amount expressed in billions of pesos, although it sounds a bit different, they are fully equivalent. My reference was made in Millions of Reales as a formal requirement but the report from the statutory auditor demands to make the conversion into Pesos.”

Then, Mrs. Alba Lucia Guzmán confirmed the assertion made by Mr. Luis Fernando Alarcón.

The Meeting, by majority of the votes qualified to do so, approved the December 31, 2014 individual and Consolidated Financial Statements of ISA.

Following are such shareholders abstaining to vote:

PROXY OR REPRESENTATIVE	SHAREHOLDER
MANUELA RESTREPO BARRIOS	BUREAU OF LABOR FUNDS-LABOR PENSION FUND

MANUELA RESTREPO BARRIOS	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL
MANUELA RESTREPO BARRIOS	BRITISH COAL STAFF SUPERANNUATION SCHEME
MANUELA RESTREPO BARRIOS	BLACKROCK INDEXED EMERGING MARKETS IMI EQUITY FUND
MANUELA RESTREPO BARRIOS	BLACKROCK INDEX SELECTION FUND
MANUELA RESTREPO BARRIOS	RETIREMENT INCOME PLAN OF SAUDI ARABIAN OIL COMPANY
MANUELA RESTREPO BARRIOS	CGI CONN GEN LIFE
CORELLO VANESSA	COMPASS EMP EMERGING MARKET 500 VOLATILITY WEIGHT
CORELLO VANESSA	GLOBAL X FUNDS
CORELLO VANESSA	COLONIAL FIRST STATE INVESTMENTS LIMITED AS RESPON
CORELLO VANESSA	UTAH STATE RETIREMENT SYSTEMS
DUQUE JARAMILLO JUAN DAVID	FIDUCOLOMBIA - ISA ADR PROGRAM

Following are the shareholders that voted against:

PROXY OR REPRESENTATIVE	SHAREHOLDER
CORELLO VANESSA	LVIP BLACKROCK EMERGING MARKETS INDEX RPM FUND

Following, the eleventh point of the agenda was read out loud.

**11. APPROVAL OF 2014 PROFIT DISTRIBUTION PROJECT TO DECREE DIVIDENDS AND SET ASIDE EQUITY RESERVES**

Mr. Luis Fernando Alarcón Mantilla, acting as ISA's CEO presented the proposition in the following terms:

"Thank you, as you know, according to the law and our bylaws, the distribution of profits is made based on the net profit for the period corresponding to the 2014 net income disclosed in the reports, that is, COP 593.065 billion, to which we deduct the legal reserve and the tax mandatory reserve (COP 96.933 billion) to obtain the dividends; consequently, the net profit of the period is COP 496.132 billion.

The proposed distribution of dividends is to distribute 60% of the net profit, that is, two hundred ninety-six billion eight hundred fifty-eight million Pesos for a dividend of COP 268 per share, a 25% increase compared to last year's dividend. This distribution is proposed to be made in one ordinary dividend of COP 208 per share and one extraordinary dividend of COP 60 per share; as you may recall, an extraordinary dividend was also distributed last year.

It is proposed to set aside a tax reserve for ninety-six billion nine hundred thirty-three million Pesos, set aside an occasional reserve for capital strengthening of one hundred ninety-nine billion two hundred seventy-four million Pesos and distribute as dividends 60% of net profit equal to two hundred ninety-six billion eight hundred fifty-eight million pesos, payable in four installments as follows:

Payments made in:

- 1) April 28
- 2) July 28
- 3) October 27
- 4) December 10

in order that all four payments are made during year 2015. Although in the past two years the dividend has been paid in a single installment, we propose here to return to the practice of payment in 4 installments, mainly encouraged by the fact that we found, after several studies, that for the purposes of stock liquidity and stock performance in the market, it is very important to keep that periodic payment of dividends; that is the main reason, I am aware that some of you would prefer the payment in a single installment but I draw attention to the fact that this will result more convenient for all of you; it is everyone's interest that ISA's stock keeps the highest liquidity in the market and, therefore, have a more stable price performance. For this reason, we propose that the payment is made in four installments and therefore, Mr. Chairman that is the proposal for distribution of dividends"

There was inconformity presented by one of the shareholders to the head table before voting; the Secretary of the Meeting read out the disagreement of Ms. Ana Mendez, on behalf of her son Alvaro Mendez, who expressed her dissatisfaction with the dividends to be decreed; she believes and states that there are other companies distributing greater dividends and this is not consistent with the financial performance of the company; it is not a proposition, it is simply a communication.

Once this communication was informed to the Meeting and after hearing the proposal made by Mr. Alarcon, the Chairman of the Meeting submitted the proposition to the shareholders for approval of the 2014 profit distribution project to decree dividends and set aside equity reserves.

**Approval:** The Regular Shareholders' Meeting, by majority, approved the proposition above.

Following are such shareholders abstaining to vote:

PROXY OR REPRESENTATIVE	SHAREHOLDER
CORELLO VANESSA	COMPASS EMP EMERGING MARKET 500 VOLATILITY WEIGHT
CORELLO VANESSA	GLOBAL X FUNDS
CORELLO VANESSA	GLOBAL X/INTERBOLSA FTSE COLOMBIA 2

CORELLO VANESSA	COLONIAL FIRST STATE INVES LIMITED AS RESPON
CORELLO VANESSA	UTAH STATE RETIREMENT SYSTEMS

Following are the shareholders that voted against:

PROXY OR REPRESENTATIVE	SHAREHOLDER
CORELLO VANESSA	LVIP BLACKROCK EMERGING MARKETS INDEX RPM FUND

The secretary reports that the participation of the subscribed shares is 85.12%, i.e., there are 942'924.288 shares present.

Following, the twelfth item of the agenda is read out loud.

## 12. ELECTION OF STATUTORY AUDITOR AND ALLOCATION OF PROFESSIONAL FEES

The proposal on Election of Statutory Auditor and allocation of professional fees, presented by the Corporate Audit Committee of ISA's Board of Directors, was read as follows:

"REGULAR SHAREHOLDERS' MEETING

ITEM 12 OF AGENDA

Proposal on Election of Statutory Auditor and allocation of professional fees

THE BOARD OF DIRECTORS OF INTERCONEXIÓN ELÉCTRICA S.A. E.S.P.

CONSIDERING THAT:

- The company requires the services of a Statutory Auditor to comply with the regulations in effect.
- Pursuant to section 9, Article 26 of the Bylaws of Interconexión Eléctrica S.A. E.S.P., the Regular Shareholders' Meeting is in charge of the appointment of the Statutory Auditor.
- According to ISA's Good Governance Code Title IV, chapter II, section 1.1, the company's Statutory Auditor is appointed for one-year periods and may be reelected for up to three additional periods.
- On March 31<sup>st</sup>, 2015, firm Ernst & Young Audit S.A.S. will complete its first year providing Statutory Auditing services for Interconexión Eléctrica S.A. E.S.P.
- Firm Ernst & Young Audit S.A.S., submitted economic proposal for the period between April 1<sup>st</sup>, 2015 and March 31<sup>st</sup>, 2016, for an amount of FOUR HUNDRED SIX MILLION THREE

HUNDRED FORTY-SEVEN THOUSAND PESOS (COP 406,347,000) equal to the CPI increase (3.66%) plus the corresponding Value Added Tax – VAT.

IT PROPOSES:

1. To reelect firm Ernst & Young Audit S.A.S. as Statutory Auditor of INTERCONEXIÓN ELÉCTRICA S.A. E.S.P. for the period comprised between April 1<sup>st</sup>, 2015 and March 31<sup>st</sup>, 2016.
2. To fix professional fees for the Statutory Auditor in the amount of FOUR HUNDRED SIX MILLION THREE HUNDRED FORTY-SEVEN THOUSAND PESOS (COP 406,347,000) equal to the CPI increase (3.66%) plus the corresponding Value Added Tax – VAT.”

The Chairman of the Meeting submits for consideration of the shareholders the proposition for approval of the Election of Statutory Auditor and allocation of professional fees.

**Approval:** The Meeting, by majority, approved the election of the Statutory Auditor for the period between April 1<sup>st</sup>, 2015 – March 31<sup>st</sup>, 2016 and its allocation of professional fees.

Following are such shareholders abstaining to vote:

PROXY OR REPRESENTATIVE	SHAREHOLDER
CORELLA VANESSA	COMPASS EMP EMERGING MARKET 500 VOLATILITY WEIGHT
CORELLA VANESSA	GLOBAL X FUNDS
CORELLA VANESSA	GLOBAL X/INTERBOLSA FTSE COLOMBIA 2
CORELLA VANESSA	COLONIAL FIRST STATE INVES LIMITED AS RESPON
CORELLA VANESSA	UTAH STATE RETIREMENT SYSTEMS

The Secretary of the Meeting read out loud the thirteenth point of the agenda.

### 13. READING AND APPROVAL OF CORPORATE BYLAWS.

Mr. Luis Fernando Alarcón acting as ISA’s CEO, made a presentation of the most relevant topics contained in the amendment of bylaws, which was made available to the shareholders since the call.

Indeed, as stated by the Secretary, this is a vast subject, with great detail. For that reason and given that you have the amendment draft available and it has been published with sufficient time, I will not review article by article in detail, but will try to summarize the main aspects and the reasoning of this amendment of bylaws.

First, the main reason for this amendment, as you know, ISA has always followed its good corporate governance practices, which recently revised from the regulatory point of view and following international standards within the government. Besides, there is a proposal of the so-called *Código País* (Country Code), which was recently issued by the Financial Superintendence, and the idea is that issuers should adopt as far as possible these practices with the consequences and procedures then I will show; of course, the adoption of these best practices for corporate governance seeks to increase the value of the company, enhance risk management, build confidence in investors and, therefore, create conditions for value generation, to the extent that investors are attracted by the company, either by stock or by purchasing our debt.

Last year, Country Code was issued, which proposes these standards and makes some recommendations as just noted; the Company adopts the topics it believes should be adopted; a process of internal reflection, and starting next year these proposals will be evaluated; every year security issuers should report which of the Country Code guidelines are met and which are not and explain how they are met and why they are or not being complied with. The Financial Superintendence, of course, will ensure the integrity of information provided by issuers, transparency and veracity of the reports made by each and we expect that markets will reward or punish the corporate governance practices of security issuers as appropriate.

The main chapters are related with rights of shareholders, the Regular Shareholders' Meeting, the Board of Directors, the Chairman and other provisions and control of the Company.

Regarding the rights of shareholders, there is a commitment established for the Board of Directors, as a Bylaw, of approving a specific procedure that defines the relations of the Company with different kinds of shareholders. Regarding information requests, it is provided that shareholders are entitled to request, with no less than five business days to the regular shareholders' meeting, the information or clarifications they deem appropriate; these are two recommendations made in the Country Code and that we are incorporating into the bylaws.

Regarding the Regular Shareholders' Meeting, first there are new powers: To approve the general remuneration policy for the Board of Directors and the Senior Management when it is recognized for the latter a variable component in the remuneration linked to the stock value and also, a succession policy for the Board, i.e., that guidelines are to be clearly provided for both topics.

As for the period of notice of the call, it must be no less than thirty calendar days before regular shareholders' meeting and fifteen days for extraordinary shareholders' meeting; it provides a longer term for the call than the current situation, which is fifteen days, a couple of more weeks to make the call more expeditious.

Regarding the agenda, it is noted that regardless of its size, shareholders are entitled to propose new items for discussion in the agenda, within five days following the date of publication of the call, and provided that the request is accompanied by the reasons thereof; it is also stated that within this period they may submit well-founded new proposals for resolutions on matters already included in the agenda, that is, it provides other forms of greater involvement for shareholders at the setting of topics of the meeting and how they should be submitted.

As regard the Board of Directors, it provides a general clause of competence according to which all those issues that the bylaws have not assigned to the shareholders' meeting or the executive management of the company will correspond to the Board; if there is a new topic not regulated in the bylaws, the Board is competent to do so. Here is a list of topics, some of which are in one way or another incorporated into the existing bylaws. I will only read those underlined, darker ones, which are those that somehow are not explicitly mentioned in the present bylaws; among them, it expressly provides as function of the Board in the bylaws:

- Define the governance model, organizational, technical and financial and investment guidelines of the business group.



- Become aware and periodically monitor the risks of the Company.
- Propose the general remuneration policy of the Board of Directors to the Regular Shareholders' Meeting.
- Oversee the independence and efficiency of the internal Audit function.
- Act as liaison between the company and its shareholders, creating suitable mechanisms to provide accurate and timely information on the progress of the issuer.
- Monitor the effectiveness of corporate governance practices implemented and the level of compliance with ethical and behavior standards adopted by the Company.
- Become aware of and manage conflicts of interest between the company and shareholders, members of the Board of Directors, Senior Management and other managers.
- Propose the succession policy of the Board of Directors for approval by the Regular Shareholders' Meeting, a subject to be discussed later.
- Creation or acquisition of shares in special purpose entities or domiciled in countries or territories considered tax havens, as well as other transactions or operations of similar nature.
- Ensuring sustainability through the development of actions taking into account best practices and monitoring and tracking corporate management.

These issues I have just mentioned are not explicitly covered by the current bylaws; I would emphasize that although these activities and functions are currently performed by the Board, they are usually discussed with the Board, and the management receives guidance from the Board in this connection.

As regards the functions of the Chairman of the Board of Directors, I will also point out the new matters included in bylaws:

- 1) Ensure that the Board sets and efficiently implements the strategic direction of the company.
- 2) Coordinate and plan the operation of the Board through the establishment of an annual work plan based on the assigned functions.
- 3) Ensure the timely and due delivery of information to the Board members, directly or through the Secretary of the Board.
- 4) Monitor the active participation of the Board members.
- 5) Lead the process of annual assessment of the Board and Committees except for his own assessment.

Functions of the Secretary of the Board:

- 1) Ensure the formal legality of the actions of the Board and ensure that its procedures and rules of governance are followed and regularly reviewed in accordance with the provisions of the Bylaws and other internal regulations of the Company.
- 2) Provide legal advice to the Board and report on the legal issues that are materially relevant for the Company's activity.

As you may notice, it is more precise on the responsibilities of the Shareholders' Meeting, the Board and the Chairman.

As for the size of the Board, we are proposing in the bylaws, also following the relevant recommendation set forth in the Country Code that the Board of Directors will consist of nine members with no alternates. At present, there are seven lines with an alternate.

The quorum for deliberation will be five members, half plus one, and decisions are adopted with majority of votes present, a major change in the new bylaws.

The following duties and rights are included in the bylaws; they are matters we all know but now they will be clearly and expressly provided in the same.

New duties:

- Duty of loyalty: managers must act in good faith, with loyalty and diligence of a good businessman, their performance will be in line with the company's interests, taking into account the interests of its members.
- Duty of not misusing corporate assets.
- Duty of secrecy: keep and protect commercial and industrial secrecy of the company, and refrain from misusing inside information.

Rights:

- Rely on the assistance of experts.
- Receive adequate remuneration.
- Right to an induction and ongoing training.

As regards the President of the Company, a first change being made in the Bylaws is the denomination of the Chief Executive Officer of the Company for Chairman of the Company; the reason for this is based on the fact that the new organizational structure of ISA includes vice presidents (technical, financial and strategy) and it seems logical that within this structure with that officers' name, there should be a President as administrative head of the Organization, its legal representation. The President of the Company will be the legal representative with authority to enter into or perform without limitations, other than those set forth in the Bylaws related to transactions that must be approved by the Shareholders' Meeting or the Board of Directors, all acts or contracts falling within the corporate purpose or having the nature of preparatory, ancillary or additional to the corporate purpose and those related to the existence and operation of the Company. The President of the Company may not be a member of the Board but the office of President of the Company may provisionally entrust to a member of the Board if that might become necessary. It is clear regarding managers that besides the President of the Company and the Board members, there are also Vice Presidents, the General Secretary, Corporate Directors, the Corporate Auditor and other directors. All employees of the Company will be subordinate to the President and under his orders and immediate inspection. Managers and employees of the Company are required to comply with the recommendations of Country Code voluntarily adopted by the Company.

Some new roles of the President of the Company include: preparing the prospectus for subscription and placement of stock and bonds, compile into a Good Governance Code the rules and systems required by law for the proper governance of the Company and in accordance with international best practices on the subject matter, the Good Governance Code, as updated and amended, will be submitted to the Board for approval and such Good Governance Code must be kept at disposal of investors to be consulted on the premises and on the website of the Company.

Among other provisions, it clearly states, and clearly regulates, the issue on conflicts of interest. It is provided that all individuals working with the Company must act with diligence and loyalty; managers, administrators and employees of the Company will be in a conflict of interest when due to their duties they must make a decision or perform or omit an action and are in the position of choosing between the interests of the company, and their own or a third party's interest, so if they opt for either of the latter two, they would be compromising their objectivity or independence; it is stating that there will be conflict of interest when the eventual decision by an administrator or official may compromise his/her objectivity or independence. It is noted that the Company will adopt a specific process for the disclosure, management and resolution of conflicts of interest, whether direct or indirect, through related, sporadic or permanent parties that could affect the Board members or other administrators.

Regarding the control, it provides that the Company will have an auditor with his alternates, with a maximum permanence of seven years; If I'm not wrong, it is currently 4 years; so it provides that if the auditor remains 7 years, the partner of the auditing firm and his work team should be changed. It

also provides that to the possible extent, the statutory auditor should be the same for all group companies. It is expressly prohibited for the auditor to contract professional services other than those corresponding to the statutory audit, the financial audit and other functions recognized in current regulations, and this is an absolute prohibition, it includes consulting companies other than statutory auditing that might be part of the same group that are being retained for statutory auditing services.

As for specialized audits previously requested to the CEO, it is now provided that a number of shareholders representing at least 5% of the shares of the Company or a number of investors whose investment is greater than or over 5% of the market capitalization of ISA at the time of sending the request, may ask the Board to conduct special audits and provides 10 working days to the Board to answer the request by pointing out the firm selected to carry out the appropriate audit.

These are the main issues. As you can see, it is intended to actually strengthen good governance practices of the Company in connection with the relationship with shareholders, the operation of the Shareholders' Meeting, the Board of Directors and the responsibilities of the managers of the Company, thank you"

## **PROPOSITION ON AMENDMENT OF BYLAWS**

### **THE BOARD OF DIRECTORS OF INTERCONEXIÓN ELÉCTRICA S.A. E.S.P.**

#### **WHEREAS:**

1. ISA revised the organizational model giving rise to a new structure, whereby the governance model (parent company – subsidiaries) was adjusted, an incentive scheme leading to the expected results was established and the competencies required for this new cycle were identified.
2. To materialize the strategic guidelines established, an implementation plan was structured with aspects to develop in the 2013-2020 period, for which effect the following projects were defined, among others: Structure; Governance Model; Incentive Model.
3. The Board of Directors and the Management, during the execution of the strategic update project, identified the need of conducting an amendment of the Bylaws to include the new reality of the Company in connection with the definitions of the Corporate roles and responsibilities, basic functions of the parent company to be reflected in the responsibilities of the Board of Directors and the company's high management.
4. ISA is committed to complying with the best Corporate Governance practices, incorporated by the Colombian Financial Superintendence in new *Código País* (Country Code) Circular, as an element encouraging companies to greater value generation, better risk management, creation investors' confidence in national and international contexts and procurement of better financing conditions for lower risk perception by creditors and investors.

#### **IT PROPOSES**

**FIRST:** To approve the Amendment of Bylaws, whereby the following articles are modified **1, 2, 3, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 25, 26, 27, 28, 29, 30, 33, 34, 35, 37, 38, 39, 40, 42, 43, 44, 45, 46, 47, 48, 50, 51, 56, 57, 59, 60.**

**SECOND:** Once the amendment is approved, the President of the Company is hereby authorized to incorporate all Articles of ISA's corporate bylaws into a single deed, including this amendment."

The Chairman of the Meeting submits for consideration of the shareholders the proposed amendment of bylaws presented by the Company's management.

Before voting, Mr. Francisco Lucero acting as representative of the State's shares, is allowed to speak to the head table in the following terms:

I would like to have an adjustment on the wording of Article 48 that makes reference to the financial statements, so that it not only includes the balance sheet but also that corresponding to such reports, that is, the balance sheet, the income statement and the cash flow statement"

Secretary of the Meeting answers in this regard "we agree, it is correct."

The Chairman of the Meeting gives the floor to Mr. Orlando Bedoya acting as shareholder of ISA in the following terms:

"I will ask two questions that are conditioned to the Commercial Code which wording I don't remember at this time; first: are the time periods for the call to the meetings extended while the right of inspection remains the same? Second, I neither remember what does the Commercial Code provide about the obligation to have alternates on the Board of Directors, is it optional or mandatory?; and a comment on the rationale for renaming the CEO for President because there are positions in the company called Vice Presidents, then call them deputy CEOs"

The Secretary of the Assembly replies: "On the issue of the Commercial Code, we are extending the time period of the call and in turn making it clear that the right of inspection begins from that time when the notice of call is published, that is, from the 30<sup>th</sup> day in advance to the meeting, that is provided. There is an additional warranty being established within the bylaws for shareholders: five days after the notice is published they may write to the management and ask to include new topics on the agenda or make new proposals, that is, besides all matters discussed within the meeting of shareholders. It is very clear that such period begins from the date on which the notice is published; then the days to exert the right of inspection are also extended. Second, regarding the alternates, Law 964 of 2005 provides that those companies that act as security issuers may decide to no longer have alternate members; it only applies to that kind of companies, not all. Now, Country Code recommends security issuers to adopt that provision and as a good governance practice we are adopting the same. We are now leaving the Board with nine principal members, also in compliance with law. On the issue of the nomination as President, it is a term widely used inside companies, especially when we are talking of a business group; it is quite important, it is an issue of nomination, there is no other connotation, it is also an issue of consistency with the organizational structure.

The Chairman of the Meeting allowed Luis Alfonso Villa acting as shareholder to speak, in the following terms:

"Good morning. There are a couple of things of these new rules that do not convince me. First, there is a provision that the increase in the remuneration of the Board members will be made according to the increase of the stock price, the stock performance, that's what I understood. Second, why does the President assume so many powers without the others knowing; what if there is embezzlement and other things that has occurred in other companies; so giving so many powers to one person, if it can happen with many individuals, then one single person could result in embezzlement, so I want explanation on this.

Mr. Luis Fernando Alarcón, acting as ISA's CEO, replies: "The truth is that from the Bylaws it cannot be deducted or stated there is an increase in the remuneration of the Board members; what it provides is that there should be a policy that we will see later, as general guidelines on how the remuneration of the Board members is composed; this is important for a reason, in some companies, particularly outside Colombia, in the Anglo world, it is customary for Board members to have an additional remuneration linked to the stock performance; that is not a common practice in Colombia but could exist, then establish that policy to be approved here is very important; now, the policy is not in conflict with the fact that the specific remuneration of the board members must be approved every year, an issue that will also be presented further on for your consideration; then, there is no change. Regarding the functions of the President, If you think, the Board as a collective body requires a leader, someone who coordinates, who is accountable for organizing the work of that collective body; it is and has

always been; here it is proposed to be more precise on such responsibilities; for example, to expressly state that the President is responsible for coordinating the management of the agenda of the meetings, someone has to do it, that's natural; but Country Code has required that such responsibilities should be expressly stated in the Company's bylaws; it is not about the President making substantive or economic decisions disregarding the need to have approval from the Board of Directors as collective body."

The Chairman of the Meeting allowed Mr. Luis Fernando Lopera shareholder of ISA to speak in the following terms:

"Good morning, my name is Luis Fernando, interpreting what my fellow shareholder said earlier, there is a section in the bylaws providing that the President must be remunerated with a variable allocation depending on the stock performance; then, what my fellow shareholder says is: why is the President remunerated according to the stock performance? And why other members of the Board or Company Directors of the Company are not remunerated by a variable assignment? "

The Secretary of the Meeting replied: "that concern you are raising will be clarified on the following items of the agenda of the meeting; one of the issues we are adopting here is the remuneration policy of the Board, by Good Governance Code, and one of the things that is being left here clear for your approval is that all members of the Board of Directors receive the same remuneration; there is no difference between the President and the other Board members; it is expressly stated, now we're going to read, and that is what we will submit for your consideration. I think that's clear. The second issue is regarding the stock performance, it has been clearly stated that the Board will not receive remuneration associated with the stock performance; then I think we could now close those issues with the items we will proceed to read. It is provided that the President of the Company will be remunerated in the same way that any employee of the company, in the sense that he has a fixed remuneration and a variable remuneration that depends on compliance with indicators and agreements annually reached with the Board of Directors; it applies to the entire company. "

The Chairman of the Meeting submitted for consideration of the shareholders the proposed amendment of bylaws presented by the Company's management, including the accuracy of the financial statements as indicated.

**Approval:** The Meeting, by majority, approved the proposed amendment of corporate bylaws.

Following are such shareholders abstaining to vote:

PROXY OR REPRESENTATIVE	SHAREHOLDER
ADRIANA MARIA DE LA CRUZ BETANCUR BETANCUR	ADRIANA MARIA DE LA CRUZ BETANCUR BETANCUR

Following, the Secretary of the Meeting read out loud the fourteenth item of the agenda.

#### 14. ELECTION OF BOARD OF DIRECTORS

The General Secretary informed the Chairman of the Meeting that she received communication from the Ministry of Finance and Public Credit proposing a list of candidates to compose the Board of Directors. Also, the résumés of those included in the list were received, and the letters whereby the candidates accepted to be included as independent or non-independent member, as provided in article 44 of Law 964 of 2005, which were published at ISA's website.

The General Secretary read out the communication received:

"Bogotá D.C.,

Mr.  
LUIS FERNANDO ALARCÓN MANTILLA  
CEO  
INTERCONEXIÓN ELÉCTRICA S.A. E.S.P.  
Calle 12 Sur 18-168  
Medellín

Re: Appointment of candidates Board of Directors of ISA S.A. E.S.P.

Dear Mr. Alarcón:

In order to comply with the Securities Market Law (Law 964 of 2005) and its regulatory decree 3923 of 2006, attached hereto is the list proposed by the Nation to the Regular Shareholders' Meeting of ISA S.A. ESP, to be held next March 27 this year, to elect the Board of Directors of the Company.

It is hereby clarified that the designations of lines one (1), two (2) and three (3) are made in consideration of the position and not the individual holding the same.

Minister of Mines and Energy	Ministry of Mines and Energy
Vice-Minister General	Ministry of Finance and Public Credit (MHCP)
Director of Public Credit and National Treasure	Ministry of Finance and Public Credit (MHCP)
Carlos Mario Giraldo*	Independent - nominated by the Nation MHCP
Bernardo Vargas Gibsone*	Independent - nominated by the Nation MHCP
Jesús Arturo Aristizabal Guevara*	Independent - nominated by EPM
Henry Medina González*	Independent - nominated by Ecopetrol
Santiago Montenegro Trujillo*	Independent - nominated by Pension Funds Pensiones
Camilo Zea Gómez *	Independent - nominated by Pension Funds Pensiones

**\* Independent Members, as provided in Law 964 of 2005.**

We would appreciate to publish the above at the Company's website for knowledge of all shareholders.

Sincerely,

MAURICIO CARDENAS SANTAMARÍA  
Minister of Finance and Public Credit"

It is provided that there are 6 members having the condition of independent members at the Board of Directors. Pursuant to the securities law, the minimum number of members should be 25% of those composing the Board of Directors, and that minimum is being exceeded herein.

The Chairman of the Meeting submits for consideration of the shareholders, the proposition on election of the Board of Directors.

Mrs. María Cecilia Castrillón, on behalf of Colfondos Pensiones y Cesantías, requests to record their negative note given that they did not receive on time the independence forms.

**Approval:** The Regular Shareholders' Meeting, by majority, approved the aforementioned proposition.

Following are such shareholders abstaining to vote:

PROXY OR REPRESENTATIVE	SHAREHOLDER
ALEJANDRO ESTEBAN CANO CORREA	FONDO DE PENSIONES OBLIGATORIAS PORVENIR MODERADO
ALEJANDRO ESTEBAN CANO CORREA	FONDO PENSIONES OBLIGATORIAS PORVENIR CONSERVADOR
ALEJANDRO ESTEBAN CANO CORREA	FONDO PENSIONES OBLIGATOR. PORVENIR MAYOR RIESGO
ALEJANDRO ESTEBAN CANO CORREA	FONDO ESPECIAL PORVENIR DE RETIRO PROGRAMADO
ALEJANDRO ESTEBAN CANO CORREA	FONDO DE CESANTIAS PORVENIR
ALEJANDRO ESTEBAN CANO CORREA	FPV ACCIONES COLOMBIA PESOS
ALEJANDRO ESTEBAN CANO CORREA	FPV ALTERNATIVA 100 ACCIONES ISA
ALEJANDRO ESTEBAN CANO CORREA	F.P.V ALTERNATIVA 8 - DIVERSIFICADA EXTREMA
ALEJANDRO ESTEBAN CANO CORREA	FPV DIVERSIFICADO BASICO
ALEJANDRO ESTEBAN CANO CORREA	ALTERNATIVA 60
ALEJANDRO ESTEBAN CANO CORREA	ALTERNATIVA 68-EN SUS MANOS ESTUDIO 2022
ALEJANDRO ESTEBAN CANO CORREA	ALTERNATIVA 67-EN SUS MANOS ESTUDIO 2016
MERCEDES VILLA GOMEZ	MERCEDES VILLA GOMEZ

HELINA LONDOÑO GOMEZ	HELINA LONDOÑO GOMEZ
JAQUELINE LONDOÑO GOMEZ	JAQUELINE LONDOÑO GOMEZ
ELVIA LUZ SIERRA ALZATE	ELVIA LUZ SIERRA ALZATE
DUQUE JARAMILLO JUAN DAVID	FIDUCOLOMBIA - ISA ADR PROGRAM

Following are the shareholders that voted against it:

<b>PROXY OR REPRESENTATIVE</b>	<b>SHAREHOLDER</b>
MANUELA RESTREPO BARRIOS	AVIVA LIFE AND PENSIONS UK LIMITED
MANUELA RESTREPO BARRIOS	SHELL TRUST (BERMUDA) LIMITED
MANUELA RESTREPO BARRIOS	SHELL PENSIONS TRUST LIMITED AS TRUSTEE OF SHELL CONTRIBUTORY PENSION FUND
MANUELA RESTREPO BARRIOS	BUREAU OF LABOR FUNDS-LABOR PENSION FUND
MANUELA RESTREPO BARRIOS	STICHTING SHELL PENSIOENFONDS
MANUELA RESTREPO BARRIOS	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL
MANUELA RESTREPO BARRIOS	BRITISH COAL STAFF SUPERANNUATION SCHEME
MANUELA RESTREPO BARRIOS	VANGUARD INVESTMENTS AUSTRALIA LTD ATF VANGUARD EMERGING MKTS SHARE INDEX FUND
MANUELA RESTREPO BARRIOS	VANGUARD INVESTMENTS SERIES
MANUELA RESTREPO BARRIOS	STATE OF WYOMING, WYOMING STATE TREASURER
MANUELA RESTREPO BARRIOS	SBC MASTER PENSION TRUST
MANUELA RESTREPO BARRIOS	JNL / MELLON CAPITAL EMERGING MARKETS INDEX FUND
MANUELA RESTREPO BARRIOS	BLACKROCK INDEX SELECTION FUND
MANUELA RESTREPO BARRIOS	NEW YORK STATE COMMON RETIREMENT FUND
MANUELA RESTREPO BARRIOS	CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND



MANUELA RESTREPO BARRIOS	FLEXSHHARES MORNINGSTAR EMERGING MARKETS FACTOR TILT INDEX FUND
MANUELA RESTREPO BARRIOS	FUNDACAO CALOUSTE GULBENKIAN
MANUELA RESTREPO BARRIOS	FIDELITY INVESTMENT FUNDS- FIDELITY INDEX EMERGING MARKETS FUND
MANUELA RESTREPO BARRIOS	SHELL FOUNDATION
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 400045796
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 400045794
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 400045828
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND 400045829
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUN 400045795
MANUELA RESTREPO BARRIOS	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE FOR PENSION FUND ASSOCIATION 400039078
MANUELA RESTREPO BARRIOS	CGI CONN GEN LIFE
CORELLO VANESSA	AMP EMERGING MARKETS INDEX FUND
CASTRILLON RAMIREZ MARIA CECILIA	FONDO DE PENSIONES OBLIGATORIAS COLFONDOS MODERADO
CASTRILLON RAMIREZ MARIA CECILIA	FONDO DE PENS OBLIGATORIAS COLFONDOS CONSERVADOR

CASTRILLON RAMIREZ MARIA CECILIA	FDO DE PENS OBLIGATORIAS COLFONDOS RETIRO PROGRAMA
CASTRILLON RAMIREZ MARIA CECILIA	FDO PENS OBLIGATORIAS COLFONDOS MAYOR RIESGO
CASTRILLON RAMIREZ MARIA CECILIA	FONDO DE CESANTIAS COLFONDOS
CASTRILLON RAMIREZ MARIA CECILIA	FDO DE PENSIONES VOL.CLASS INVERSION DE COLFONDOS

The Secretary of the Meeting read out loud the fifteenth item of the agenda.

## **15. READING AND APPROVAL OF REMUNERATION POLICY FOR BOARD OF DIRECTORS**

The Secretary of the Meeting presented the proposition on the Remuneration Policy for the Board of Directors of INTERCONEXIÓN ELÉCTRICA S.A E.S.P in the following terms:

### **“PROPOSITION ON REMUNERATION POLICY FOR BOARD OF DIRECTORS of INTERCONEXIÓN ELÉCTRICA S.A E.S.P**

#### **WHEREAS:**

1. ISA is committed to complying with the best Corporate Governance practices, incorporated by the Colombian Financial Superintendence in new *Código País* (Country Code) Circular, as an element encouraging companies to greater value generation, better risk management, creation of investors' confidence in national and international contexts and procurement of better financing conditions for lower risk perception by creditors and investors.
2. The best corporate governance practices include a Remuneration Policy for the Board of Directors to be approved by the Regular Shareholders' Meeting.

#### **IT PROPOSES:**

To approve the following Remuneration Policy for the Board of Directors:

#### **PURPOSE**

Establish criteria for an adequate remuneration for the members of the Board of Directors.

#### **PRINCIPLES**

- Besides the remuneration, the Regular Shareholders' Meeting shall establish the guidelines to be followed in this regard concerning the Board of Directors and its Committees.
- The remuneration of the members of the Board of Directors shall be fixed and approved each year by the Regular Shareholders' Meeting, and it shall be the same for all members. The Meeting shall set an adequate amount or sum consistent with the duties and responsibilities

of the Board members, the company's characteristics, the effective dedication and the expertise of the Board as a collective body.

- The fees defined for each attended meeting shall be expressed in terms of Tax Value Units (*Unidad de Valor Tributario –UVT*). To determine this amount, market benchmarks from companies similar to or comparable with ISA shall be taken into account.
- Besides the fees for attending meetings of the Board of Directors or Board Committees, members shall not receive any other kind of individual or collective remuneration. They shall neither receive shares of ISA or its subsidiaries in compensation for their services.

The Company assumes the following non-compensation costs:

- Travel expenses, lodging, ground transportation, delivery of information and other costs required for the Board members to properly perform their duties.
- Expenses related with training, updates and retaining of external advisors required by the Board as collective body.
- Costs related with ISA's Directors and Administrators insurance policy, which covers the liability arising upon a management act under the performance of their relevant duties."

The Chairman of the Meeting submits for consideration of the shareholders, the proposition for approval of the Board's Remuneration Policy.

**Approval:** The Meeting, by majority, approved the Remuneration Policy for the Board of Directors.

Following are such shareholders abstaining to vote:

PROXY OR REPRESENTATIVE	SHAREHOLDER
HELINA LONDOÑO GOMEZ	HELINA LONDOÑO GOMEZ
MERCEDES GOMEZ VILLA	MERCEDES GOMEZ VILLA
JAQUELINE LONDOÑO GOMEZ	JAQUELINE LONDOÑO GOMEZ
ELVIA LUZ ALZATE SIERRA	ELVIA LUZ ALZATE SIERRA
MANUELA RESTREPO BARRIOS	CITY OF PHILADELPHIA PUBLIC EMPLOYEES RETIREMENT SYSTEM.

Following, the Secretary of the Meeting read out loud the sixteenth item of the agenda.

**16. APPROVAL OF FEES FOR BOARD MEMBERS FOR APRIL 2015 - MARCH 2016 PERIOD.**

**THE BOARD OF DIRECTORS OF INTERCONEXIÓN ELÉCTRICA S.A. E.S.P.**

**WHEREAS:**

1. The remuneration currently received by the members of the Board of Directors of Interconexión Eléctrica S.A. E.S.P. ISA for attending the Board meetings and Committees of the Board of Directors is four point five monthly statutory minimum wages in effect (4.5 SMLMV).

2. It is the duty of the Regular Shareholders' Meeting to fix the fees for attendance to the meetings of the Board of Directors and its Committees.

3. It is important that the fees are to be determined in Tax Value Units (*Unidades de Valor Tributario -UVT*), given that they are calculated on the basis of the annual inflation data published by the DANE, while the Monthly Statutory Minimum Wage in effect takes into account, besides inflation, the salary equity factors for low-income people.

4. The amendment of ISA's Corporate Bylaws submitted to the Regular Shareholders' Meeting of March 27, 2015, regarding topics related to resolution of disputes and limitations for the Board of Directors' duties, included the change of the measure unit from Monthly Statutory Minimum Wages in effect to Tax Value Units (*Unidades de Valor Tributario -UVT*).

5. This proposition to fix fees does not involve an increase on the value thereof.

#### **IT PROPOSES:**

To approve as fees for the members of the Board of Directors of Interconexión Eléctrica S.A. E.S.P. the amount equal to one hundred and three (103) Tax Value Units (*Unidades de Valor Tributario -UVT*) for each Board of Directors' or Board Committee's meeting attended for the April 2015 – March 2016 period.

After making the proposition to the Meeting, the Secretary thereof provided a brief explanation on the conversion of the measuring unit; the remuneration was converted from 4.5 minimum wages to UVG; the remuneration of the Board of Directors is not being increased.

The Chairman of the Meeting allows Mr. Hernán Rivera, acting as shareholder, to speak:

"Good afternoon, this topic I will mention here maybe is not directly related to the agenda, it is simply an expression of grief made by us, lower-category communities in our country; it is about the construction of the *Autopistas de la Prosperidad*, when they were designed, I proposed Mr. Alarcon who was in charge of the work to review the layout on the *Vereda El Espinal* of Antioquia and he promised to take this matter to the Board; but after a year, we have not received information, so that's why I am speaking here making this request because the rural zone of El Espinal is an oxygen source, many trees will be cut down and because of the antecedents when the road of *vereda Cativo* was built; in that opportunity the national Government, in head of the Ministry of Public Works did not accept any proposal and kept on with the construction of that road resulting in a greater desert existing in our municipality; the hydric sources ran out and people had to abandon their farms and did not receive any consideration for the works; we are interested on the development of the country, to have a real growth of economy but not against the integrity of those unlucky people living at the *Vereda El Espinal*; we have no representation, we proposed alternatives but the answer was it costs much more money; so, the economic benefit received by some people will be in detriment of other people, so I ask Mr. Alarcon if you took any actions and what was the answer to this request made by the community action board of *Vereda El Espinal* in the municipality of Santa Fe de Antioquia."

The Chairman of the Meeting responds to Hernán Rivera. As this item is not related with the item under discussion –remuneration of fees for Board members- he proposes to address this topic in miscellaneous where Mr. Alarcón will answer his question.

The Chairman of the Meeting submits for consideration of the shareholders, the proposition fees for Board members for the term April 2015 - March 2016.

The interventions of some shareholders are made:

Mrs. Gloria Elena Martinez speaks in the following terms: "I want to make a reflection, we are all more or less familiar with minimum wages but the other name used here is a term known by accounting staff but not for the majority of assistants. When we discuss about increasing the minimum wage, we know that it takes many discussions, many time, then I think it is easy for those on the Board just to grab a population that is not very well informed and think that we are all going to applaud in this connection without knowing in qualitative terms which is the difference between minimum wage vs. UVT, which we don't know what it is. And I would like that people assume a more critical attitude and not just applaud some topics that apparently we are not acquainted with while others do."

The Chairman of the Board of Directors replies: "I asked the Chairman of the meeting to give me the opportunity to explain and answer this question because in fact inside the Board I took the initiative for this change and I have done the same in other Boards to which I am a member and basically the explanation is that although it is a change that initially you will not understand, that requires explanation, it is a change that is very useful because inflation increases are even lower than minimum wage increases; then if monetary adjustment is kept in constant terms, and the adjustment is made in terms of inflation, then those increases will be lower than having this remuneration in terms of minimum wages, because the minimum wage is adjusted some points above inflation, corresponding to an estimate of productivity growth calculated by the National Planning Department; then, I accept that it is a change that needs explanation, it will not be easy to understand but believe me it is a change and an adjustment lower than the former; it has other benefits and indexation will no longer be made on this kind of compensation and other things, for example the cost of passports, certain fines. Other prices in economy are set in terms of minimum wages and it does not make any economic sense, and believe me we will explain it, it will be properly illustrated; this is a much more rational and fair adjustment; otherwise, by adjusting according to the minimum wage increase we would be receiving something that we and other people do not deserve, that is what we are correcting with this step."

Mrs. Irene Montes intervenes in the following terms: "my inquiry is related to the former concern, and the Secretary was going to clarify, maybe on the same subject"

The representative of COLFONDOS Pensiones y Cesantías requests to record their negative vote in the minutes since they do not approve the composition of the Board.

Mr. Luis Fernando Lopera, acting as shareholder, intervenes in the following terms: "the concern of the lady who spoke two minutes ago is to tell us the equivalence of 4.5 minimum wages with 103 UVT to understand the change."

The Chairman of the Meeting replies: "again, as clarified by the Chairman of the Board, this is merely a change of units, it is like measuring a person's height in centimeters or inches, the individual measures the same but measured in different units; what happens is that in the future it will be ensured that the fees of board members will only grow with inflation and not beyond inflation. "

Silvia Posada acting as a shareholder, intervened in the following terms: "My concern is what is a UVT"

The Chairman of the Meeting responds: "UVT is a unit of tax value, and it is a unit intended to keep its constant value over time; it was introduced several years ago and, as the minimum wage and other reference units, it is used to assess things, the numbers that are going to change over time, 103 units are left constant in this case, and with inflation it will increase but they will be only 103 until the Shareholders' Meeting determines otherwise"

Mr. Luis Alfonso Villa states:

"If we observed the minimum wage, it increases just a bit, if we note here, you are going to increase above the minimum wage, because not even the minimum wage is being increased above the tax value at this time; and it is said that things don't increase, so what kind of economists do we have? When they say that the rate does not increase here? With all due respect how can you say that the interest rate grew X percent and the minimum doesn't even reach that percentage; 2% each year and things are tripled each quarter, the rice, potatoes, two or three times more they should rise; so don't tell us know that the UVR or UVT will be better than the minimum wage, it will be above, because it is above, so don't give us lies, let's say things as they are."

The Chairman of the Meeting responds: "the UVT by design, by definition increases with inflation, and the minimum wage rises with inflation, because the Court so ordered, plus some additional productivity points, also by legal mandate; so the UVT are ensuring that fees remain strictly consistent with inflation and no further increases are made, as explained by the Chairman of the Board"

**Approval:** The Meeting, by majority, approved the proposition of fees for the members of the Board of Directors for the April 2015 – March 2016 period.

Following are such shareholders abstaining to vote:

PROXY OR REPRESENTATIVE	SHAREHOLDER
ELVIA LUZ ALZATE SIERRA	ELVIA LUZ ALZATE SIERRA
MANUELA RESTREPO BARRIOS	CITY OF PHILADELPHIA PUBLIC EMPLOYEES RETIREMENT SYSTEM.
DUQUE JARAMILLO JUAN DAVID	FIDUCOLOMBIA - ISA ADR PROGRAM

Following are the shareholders that voted against:

PROXY OR REPRESENTATIVE	SHAREHOLDER
CORELLO VANESSA	ADVANCED SERIES TRUST - AST GOLDMAN SACHS MULTI
CORELLO VANESSA	WILMINGTON INTERNATIONAL EQUITY FUND SELECT LP
CORELLO VANESSA	WILMINGTON MULTI MANAGER INTERNATIONAL
CORELLO VANESSA	EMERGING MARKETS CORE EQUITY PORTFOLIO OF DFA INV
CORELLO VANESSA	EMERGING MARKETS SOCIAL CORE EQUITY PORTFOLIO
CORELLO VANESSA	T.A. WORLD EX U.S. CORE EQUITY PORTFOLIO OF DFA INV

CORELLO VANESSA	THE EMERGING MARKETS SERIES OF THE DFA INVESTMENT
CORELLO VANESSA	UNIVERSITY OF TEXAS
CORELLO VANESSA	CITY OF LOS ANGELES FIRE AND PLCE
CORELLO VANESSA	MICROSOFT GLOBAL FINANCE
CORELLO VANESSA	TEXAS SCOTTISH RITE HOSPITAL FOR CRIPPLED CHILDREN
CORELLO VANESSA	CITY OF NEW YORK GROUP TRUST
CORELLO VANESSA	GOLDMAN SACHS FUNDS - GOLDMAN SACHS GIVI GROWTH
CORELLO VANESSA	JOHN HANCOCK FUNDS II EMERGING MARKETS FUND
CORELLO VANESSA	PACIFIC SELECT FUND - PD EMERGING MARKETS PORTFOLIO
CORELLO VANESSA	SPDR S&P EMERGING LATIN AMERICA ETF
CORELLO VANESSA	SSGA RUSSELL FUNDAMENTAL GLOBAL EX US INDEX
CORELLO VANESSA	TEACHER RETIREMENT SYSTEM OF TEXAS
CASTRILLON RAMIREZ MARIA CECILIA	FONDO DE PENSIONES OBLIGATORIAS COLFONDOS MODERADO
CASTRILLON RAMIREZ MARIA CECILIA	FONDO DE PENS OBLIGATORIAS COLFONDOS CONSERVADOR
CASTRILLON RAMIREZ MARIA CECILIA	FDO DE PENS OBLIGATORIAS COLFONDOS RETIRO PROGRAMA
CASTRILLON RAMIREZ MARIA CECILIA	FDO PENS OBLIGATORIAS COLFONDOS MAYOR RIESGO
CASTRILLON RAMIREZ MARIA CECILIA	FONDO DE CESANTIAS COLFONDOS
CASTRILLON RAMIREZ MARIA CECILIA	FDO DE PENSIONES VOL.CLASS INVERSION DE COLFONDOS

Following, the Secretary of the Meeting read out loud the seventeenth item of the agenda.

**17. READING AND APPROVAL OF BOARD OF DIRECTORS' SUCCESSION POLICY.**

**PROPOSITION ON SUCCESSION POLICY OF THE BOARD OF DIRECTORS OF INTERCONEXIÓN ELÉCTRICA S.A. E.S.P.**

**WHEREAS:**

1. ISA is committed to complying with the best Corporate Governance practices, incorporated by the Colombian Financial Superintendence in new *Código País* (Country Code) Circular, as an element encouraging companies to greater value generation, better risk management, creation of investors' confidence in national and international contexts and procurement of better financing conditions for lower risk perception by creditors and investors.

2. The best corporate governance practices include a Succession Policy for the Board of Directors to be approved by the Regular Shareholders' Meeting.

**IT PROPOSES**

To approve the following Succession Policy for the Board of Directors:

**PURPOSE**

Establish the principles enabling the nomination of the best candidates to form ISA's Board of Directors and ensure its effective operation and contribution to the achievement of organizational objectives.

**PRINCIPLES**

- For the purpose of nominating candidates for the Board of Directors, it shall be required to consider a reasonable balance and diversity within the same, for the sake of its proper performance. For this effect, it shall be necessary that the nominated candidates are not involved in any legal inabilities or incompatibilities, and should have the competencies, expertise, academic experience, independent criteria, knowledge, skills, capacities and sufficient availability to be a Board member candidate.
- In order to have a Board of Directors composed by members with different profiles, efforts shall be made to procure that the following knowledge and expertise is held by one or various of its members: (i) Linear Infrastructure, (ii) International Businesses, (iii) Executive Management in large Companies, (iv) International Investment Banking, (v) Risk Management, (vi) Human Resources, (vii) Sustainability and relations with community, (viii) Experience in public functions and multilateral bodies, (ix) Legal matters and, in general, visionary and inclusive people whose expertise and knowledge are a complement among them to form a strong and knowledgeable business-minded body.

The Chairman of the Meeting submits for consideration of the shareholders, the proposition for the Succession Policy of the Board of Directors.

**Approval:** The Meeting, by majority, approved the Succession Policy of the Board of Directors.

Following are such shareholders abstaining to vote:

PROXY OR REPRESENTATIVE	SHAREHOLDER
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ELVIA LUZ ALZATE SIERRA	ELVIA LUZ ALZATE SIERRA
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Following are the shareholders that voted against:

PROXY OR REPRESENTATIVE	SHAREHOLDER
HELINA LONDOÑO GOMEZ	HELINA LONDOÑO GOMEZ
JAQUELINE LONDOÑO GOMEZ	JAQUELINE LONDOÑO GOMEZ
MERCEDES GOMEZ VILLA	MERCEDES GOMEZ VILLA

Following, the Secretary of the Meeting read out loud the eighteenth item of the agenda.

## 18. MISCELLANEOUS

The Chairman of the Meeting asked the shareholders if there were topics they wanted to present at this point; they were asked to raise their hands to let them speak, starting with the topic presented by Mr. Hernan.

He allowed Mr. Luis Fernando Alarcon to answer the question about *Autopistas de la Prosperidad* presented by Mr. Hernán, and answered in the following terms:

"Mr. Hernán, we are no longer responsible for the development of *Autopistas de la Montaña*; the truth is that the execution of that project was fully undertaken by the National Infrastructure Agency (ANI); I internally consulted with those in charge of the issue and our lawyers of what could we do in this regard, they said that nothing, any suggestions made to ANI are worthless, because we do not have any relationship in that field; otherwise, if we were responsible for the execution of the project then we could answer any suggestions, comments, issues. We were fully left out of this project, what I really like -and it is unrelated to your question but I would like to mention it- is that I am, we are really proud that these projects are being executed and developed with proposals made by ISA. Mr. Hernando, I will suggest you something, as the topic you are posing involves a severe environmental impact, the instance you should resort when all the paperwork begins for obtaining the environmental permits is precisely the National Agency for environmental licenses, because they are in charge of that, and you as community will certainly have the opportunity to raise observations before ANI, as executor of the project and whoever is the road concessionaire; and regarding the approval of the environmental license, I suggest and think it would be more effective, that the Mayor or other authorities, community action boards, the community start informing your concerns to the National Agency of Environmental Licenses (ANLA). It is a strong environmental impact that you should inform to whoever is responsible for the surveillance of those topics, that is, the ANLA.

The Chairman of the Meeting also answered that intervention:

"Mr. Hernan, thank you; to close this topic, I suggest, consistently with the statement made by Mr. Alarcon, to formally send a letter to Mr. Alarcon and he could send it to the National Authority of Environmental Licenses and the National Environmental Authority so they can address the same and answer your concerns."

Mr. Jorge Roque intervenes in the following terms:

"I would like to recognize and thank the work of Mr. Luis Fernando Alarcon Mantilla at ISA; he was really present throughout these years; in spite of the controversies we had in some Shareholders'

Meetings, we didn't always think the same, I want to wish you the best luck in your life; I would also like to say that I am glad you obtained the Ituango lines, it is very important that ISA is in charge of that, I am also involved in this matter; so, I'm very happy, thanks to everyone and again Mr. Alarcon, thank you very much."

The Chairman of the Meeting gave the floor to Mr. Fabio Henao acting as shareholder, intervening in the following terms:

"First of all, I ask an applause to my region neighbor, the mid west, an environmental leader, I will support you and help you as possible, at least to deliver the letters. Second, I would like to congratulate Mr. Alarcón, because we all have the right to take some rest, congratulations, God bless you, the best luck. And third, congratulations to the new members of the Board of Directors of ISA, where I would like to see a real native from Antioquia that has been working tirelessly in these organizations and knows how to handle these things; he knows how to move, milestone by milestone, that is Mr. Jesús Arturo Aristazabal Guevara."

The Chairman of the Meeting answers: "Mr. Fabio, for your peace of mind, Mr. Aristazábal will be working with us".

Mr. Fernando Bedoya, acting as shareholder, speaks in the following terms: "I have several questions. First of all, regarding the joint partnership agreement with Intercolombia, who is the Managing partner? The second question, for the election or designation of the statutory auditor, did you invite other firms besides Ernst & Young? And did you obtain response? How did they reply? Finally, a protest on the designation of fees for the Board of Directors, we made a specific question, how much is a minimum wage times 4.5 and how much is UVT times 103?"

Mr. Luis Fernando Alarcón answers:

"Regarding the joint partnership agreement, to the extent that ISA is the owner of the assets contributed to the joint partnership agreement and Intercolombia contributes its management capacity, then Intercolombia is the manager of such agreement and ISA is the participant; with a particularity, it is not concealed; we all know here the nature of the agreement, this was very important when it was entered into by the parties and approved by the authorities, especially the regulator; unlike other agreements, we do not have a hidden participant, so it is very simple, Intercolombia is the manager and we, ISA, provide the assets. Regarding the statutory auditor, please bear in mind that Ernst & Young has been holding that position a year ago; for that reason, an offer was asked to them, provided that if their offer was reasonable, the idea was to renew the agreement for another year, given that changing a statutory auditor for a company could be traumatic in the adjustment period. Furthermore, the assessment of their services was well rated. We conduct a survey at ISA and other companies with those responsible for communicating with the statutory auditor and the survey was good; then, we proceeded accordingly. Besides, their offer in economic terms was very reasonable, as they only requested an increase in accordance with inflation. We believed it was correct. Now, regarding the topic about the fees to the Board of Directors, the objective was to have an accurate equivalence between 4.5 minimum wages and the number of UVTs."

The Secretary of the Meeting answers in the following terms:

"A UVT corresponds to COP 28.279, 103 UVTs, approved here, is equal to COP 2.912.737; 4.5 minimum wages are equal to COP 2.899.755; there is a difference of COP 13,000 in the conversion, otherwise the exact thing would be 102.5 UVTs, so, we left it at 103 UVT; the increase was COP 13,000 but in further years it will be lower because as mentioned by Mr. Montenegro, the increase of the minimum wage is higher than the increase of the UVT."

Mr. Cleofas Mosquera, acting as shareholder speaks in the following terms:

"The question is, if a shareholder decides to sell his shares, may he request the immediate payment of the dividends, instead of waiting until the last date provided?"

Mr. Alarcón answers:

"The answer is no, the dividends are paid in the dates provided; however, when you sell a share, in some way the purchaser incorporates these dividends received later on, as it is part of the process to make up the price of the share."

Mr. Álvaro Escobar acting as shareholder intervenes in the following terms:

"First of all, which is the growth plan of ISA (investments in the country) regarding the tax policy established by the current Government? Secondly, I have heard in other Shareholders' Meetings that the wealth tax has been charged to reserves, I understand that there could be a greater balance for distribution of dividends?"

Mr. Luis Fernando Alarcón replies:

"The truth is that these businesses have great stability and predictable business capacity; however, you are right on one point, tax policy affects us to the extent that there are fewer resources available to finance the growth plan, that is, if there are high taxes, then the money goes to tax payment and the resources available for company's growth are reduced; it's not a secret: all companies were affected by the tax reform. We believe that the effective tax rate of business in Colombia has reached very high levels; we believe that the government has understood that and for that reason it has created a commission to study a proposal for a structural reform, which is made with the advice of experts from around the world; taxation of companies in Colombia could be much more efficient, it could be much friendlier to investment; it is not the case, we are a Colombian company committed to a strong presence in the country, but undoubtedly excessive taxation for businesses is a factor of discouragement to private investment. We all want to have more investment, foreign investment and all that kind of stuff. There is indeed an impact but it is not so big given that we were paying the equivalent to the wealth tax, however the impact exists, we could live with that but we are all expecting that the tax reform will be more neutral regarding businesses. The wealth tax is being paid by charging it to profit and loss; we wanted to make a differed accounting of the payment but the statutory auditor stated that it had to be made at once; so, since February we will fully charge the wealth tax payment and we can't differ it during the year for accounting purposes, but we are paying it with charge to profit and loss."

Again Mr. Álvaro Escobar intervenes in the following terms:

"My concern was, if I could say it, I heard in other Shareholders' Meetings that the wealth tax payment could be charged to the reserve account, and that reserve account would allow having a higher balance available for dividend distribution"

The Financial Vice-President replies in the following terms:

"Two reasons: to further develop this discussion mentioned by Mr. Alarcon, if we charge it to the income statement account, a portion of those charges are recognized as services provided and we could recover this tax in the future instead of recording them in other item as proposed by you; the other reason to take into account is that although included in profit and loss, the dividend policy approved by you today is not actually affected; then we believe that the benefits of that inclusion are greater than not leaving them."

Mr. Luis Alfonso Villa Zapata intervenes in the following terms:

"I am sad to think that we, as Colombians, are selling industries to other foreign countries; here, we are full of taxes, and other countries are provided with more space to have taxes more there than here; if we are a developing country, we should have strong companies and supported by taxes that are worth to have; how many companies have failed due to those taxes that only increase the country's debt and increase the benefit to foreigners, if we keep distributing money like that, then Colombia what is going to do? A country where people can allegedly have business opportunities but are prevented due to excessive taxes. Why do we have a Constitution that is handled by foreign investment; I think that there should be strict standards for foreign investment and not for Colombian

investment. Someone that wants to create a company needs to lend money from abroad and bring it as foreign investment; it is sad that Colombians have to do this to make businesses here; many Colombian are capable of creating companies but we are selling our country, so where are we going? Although we are called revolutionaries, I am one of them who observes things; to have something productive, we have to sell our companies to someone else, and we have to create taxes and taxes and those coming from other countries just pay taxes and that's all; and those companies that invest in the country, that provide them with profitability and help improving society, are being sold, so it is really sad for me. We have such an ample Constitution and we are not following it."

Mr. Luis Fernando Alarcón replied:

"I want to leave a reflection on your comments that I think are really important Mr. Shareholder, as they are actually not applied in the case of ISA; instead, let me remind you that we are large investors abroad; 60%, more or less, of our revenues are generated abroad and we buy companies in different countries and participate in very strategic sectors; what I don't like about your proposal is, what if a Brazilian, Peruvian or Chilean listens to you and follows your advice and then they attack us with more taxes, that wouldn't be fair; so one should always observe things from both sides, both sides of the coin; in the case of ISA, just bear in mind that most of our activity is not in Colombia but abroad, and a great portion of income we are distributing are originated in Colombia."

The Chairman of the Meeting allowed shareholder Nubia to speak in the following terms:

"My question is related to the collection of dividends; when I collect them through the correspondent office, the payment comes different, and they say that they have the order to pay like that and any claim should be addressed to the Company; so, I don't know why the amount is different to the value set here in the Shareholders' Meeting."

The Chairman of the Meeting answers:

"Mrs. Nubia, I think that the best course of action is to be attended by ISA's investor assistance office, there are some people from that office here at this time; I propose that they can provide you with assistance right now, you can seat with them and explain them your concerns so they can make any clarifications."

Mr. Juan Manuel Duque Nieto acting as shareholder speaks in the following terms:

"Just to propose whether the minority group could have the dividends more clustered, for example, in Ecopetrol there was a proposal and the President accepted that minority group would have a portion of the dividends clustered"

Mr. Luis Fernando Alarcón answered:

"As a explained in the proposal for dividend distribution, you are looking only to one side of the coin; I understand that shareholders prefer to receive the payment in a single installment, but also please bear in mind that it is more convenient for you to have a more liquid share; besides we cannot discriminate one shareholders from others; besides, please remember that the shares sold are not the Government's shares; in the case of Ecopetrol, it allows the payment for the Government in several installments and for the rest that are a few, only 10% of stock, it allows a payment in various installments; if we did that, and only the Government received the payment in various installments, then we would have the effect we are trying to avoid, that is, giving a signal to the market to have more liquidity and that is the product of the change we did; last year and the year before that, if am not wrong, payment was made in a single installment; we are doing it for that reason, it is not about availability of funds because we could pay in a single installment, our concern is related to stock performance, and that it is also for your convenience, believe me".

Mr. Luis Fernando Lopera acting as shareholder speaks in the following terms: “Good afternoon, I would like to ask what analysis the Board and the Presidency has on the forward stock performance? Let’s say some years from now, so what is the outlook on the growth inside the company? because that also affects the stock behavior.”

Mr. Alarcón replies:

“That’s a hard question, because I can’t be very specific on that matter, otherwise I could be severely sanctioned by the regulators; but, you know? I could call the attention to a well-known topic, widely disclosed: our strategic plan is addressed to precisely triple income in 2020; we have stated that we are doing things at the company so that in 2020 income will be 3 times those earned in 2012, that is the goal and that takes us to project income in 2020 as a goal; I can say that because it is like multiplying 3 times the 2012 result which was like 270 billion Pesos; then we are seeking to have by 2020 an income of nearly 800 billion Pesos, we’re working on that.

Now, the matter here are the risk assumed in this business, as those disclosed in my presentation; some issues like Brazil, the regulatory review in Colombia, new things that might appear in this permanent dealing with governments from other countries, other businesses that might affect the environment; but our medium-term goal for 2020 is reaching that figure, so we’re working on that, we are trying to find all efficiencies to make business well; I think that’s a relevant data for your concern.”

Mr. Orlando Bedoya intervenes as shareholder:

“The dividend issue is quite sensitive, on occasion of the financial intervention and regarding the question made by the shareholder on the payment of the wealth tax, I have a concern; does the dividend distribution we approved included the calculation of the provision or tax reserve; did it take into account the release of the previously retained items based on article 130 of the tax code?”

Mr. Luis Fernando Alarcón answers:

“If I understood your question, let’s say that the dividend distribution of this year is made with charge to this year’s income, net profit is much higher than the amount we are distributing; the issue on the amount of dividends does not mean that income is insufficient or that there is a lack of money, what we want to have is a history of dividends, an appropriate dividend growth, sustainable in time; I believe that in the last two years, ISA’s shareholders have received a significant increase of their dividends; this year it is increasing 25%, last year it also increased around 10% or 12%, well above inflation, so I thought that shareholders would be very satisfied with the dividends because growth was good and we want to ensure an increasing history of those dividends”

The Chairman of the Meeting thanked all shareholders for their participation in the shareholders meeting, and informed that the agenda was exhausted, therefore the meeting was completed.

The Meeting ended with the Anthem of Antioquia.

**Attachment:**

1. 2014 Annual Report.

**THE COMMISSION**

**MARIA ALEJANDRA GIL DUQUE**

**FRANCISCO MANUEL LUCERO**

**THE SECRETARY**

**SONIA M. ABUCHAR ALEMÁN**