

RESOLUTION FOR THE REFORM OF BYLAWS

THE GENERAL SHAREHOLDERS MEETING OF ALMACENES ÉXITO S.A.

Has resolve to modify the following articles:

| ARTICLES |
|---|
| <p>Article 16. - Organizations. - For the purposes of its management, administration and representation, the company is composed of the following bodies: a) General Assembly of Shareholders; b) Board of Directors; c) Chairman; and d) Chief Operating Officer of the Retail Trade Business. The company's management, in the foreground, corresponds to the Assembly of Shareholders and, secondly, to the Board of Directors as its delegate. The legal representation of the company and its business management shall be in charge of the Chairman <u>President of the Company</u>.</p> |
| <p>Article 18. - Ordinary Meeting. - The General Assembly of Shareholders will hold its ordinary meeting each year, at the latest on the thirty first (31st) of March, and it will be convened by the Board of Directors, to examine the situation of the company, to designate administrators and other elected officials, to determine economic directives of the Company, to examine accounts and balances of the past year, to solve the distribution of profits and to agree on all the decisions needed to guarantee the compliance of the corporate purpose. If it were not convened, the Assembly by its own right will meet the first business day of the month of April at ten in the morning (10 a.m.), in the main offices of the administration, and will hold the meeting and will decide validly with a plural number of people, whatever amount of shares are represented by them.</p> <p>First Paragraph. The meeting call will be convened at least fifteen <u>thirty (30) business</u> calendar days beforehand, <u>without prejudice to the compliance of the legal norms</u>, and the delivery of the corresponding financial statements, reports, propositions, books and other paperwork, that in accordance to legal norms will remain at the disposal of the shareholders to inspect or consult during <u>the same period indicated in article 447 of the Code of Commerce</u>, at the main offices of the administration, will be mentioned.</p> <p>Second Paragraph. Upon the proposal of the directors or any shareholder, in ordinary meetings, the Assembly shall deal with matters not mentioned in the notice of call, only when the majority of votes so calls for it, unless it deals with matters that, according to the law, can only be handled prior to observing the special requirements as regards holding meetings, publicity and deposits of the project to be analyzed by the Shareholders during the term of call. The Board of Directors and the administrators will refrain from having the General Assembly <u>shall deal with matters not mentioned of Shareholders consider any item that was not included in the agenda published in the notice of call, only when the majority of votes so calls for said meeting.</u></p> <p>Third Paragraph. <u>Within five (5) calendar days after the publication of the notice for said meeting, any shareholder will be able to: (i) Propose in a well-founded manner the introduction of one or more items to the agenda of the General Assembly of Shareholders; (II) Present in a well-founded manner new proposals to decide on the items already included in the agenda; and (III) Request information or make inquiries about the items found in the agenda. The Board of Directors will regulate the manner in which it will answer the requests of the shareholders. If the proposal of the shareholder to add one or more items to the agenda is accepted by the Board of Directors, a complement to the meeting call of the Assembly will be published at least fifteen (15) calendar days before the meeting is held. In any case, the Shareholders will keep their right to present proposals during the meeting of the Assembly, which will be debated when the simple majority of the shares represented in the meeting decides to do so, unless the segregation (wrongful split) of the company is presented to the Assembly for its consideration, if said decision is to be made by this body, or when the items proposed are other matters that in accordance to the law may only be debated if special requisites were previously observed about the call of the meeting, its publicity and its delivery of the project to the shareholders to examine during the period of the meeting.</u></p> |
| <p>Article 19. - Extraordinary Meetings. - Extraordinary meetings will be held when unforeseen or urgent needs of the Company demand it, and will be convened by the Board of Directors, by the President or by the Statutory Auditor, either by their own initiative or at the request of a number of shareholders that represents</p> |

Tabla con formato

a quarter (1/4) or more of the shares signed. As a general rule, the meeting will be held no less than ~~five~~ ~~fifteen (15)~~ calendar days beforehand, without prejudice to the compliance of legal norms, by one of the means indicated in the twentieth article, and the agenda will be necessarily included in the notice. Except when legal provisions state otherwise, the Assembly will not deal with matters not included in the agenda published in the notice of the meeting during extraordinary meetings, except if the majority of the shares represented in the meeting established by the law adopts said decision, once the agenda has been discussed.

Article 20. - Call of the Meeting - The call of the meeting will include the agenda for that meeting, detailing each of the issues that will be debated and the shareholders will be informed of it via any of the following means: a) Letter or written communication sent to the address each shareholder indicated to the Company for its registration in the Book of Registered Shares; b) Personal notification, with the signature of each and all of the shareholders. c) Published notice in an in-house journal at the main offices of the Company. When calculating the period of the call, whether business days or calendar days, whichever applies, both the day in which the call is informed and the day in which the meeting is held will be counted.

Article 20 bis. Meetings that Require Special Call. ~~For~~Without prejudice to the period of the call established for ordinary meetings of the General Assembly of Shareholders, the call will be made at least fifteen (15) business days before for those meetings in which the projects submitted for consideration are related to the fusion, split, transformation of the company, or to the voluntary cancellation of the registration of its shares in the National Registry of Values or Stock Market. In the notice for said call the matters to be debated shall be specifically indicated and the shareholders will be informed of the delivery, during said period, to the main offices, of the respective project or report about the reasons for this proposal, so the shareholders may consult it. Additionally, whenever applicable, there will be included notices about the possibility to exercise the right to withdraw.

Article 26. - Voting Norms. - To carry out its corresponding actions and votes the Assembly will observe the following rules:

1st. The votes will be carried out in writing only whenever the president of the Assembly so establishes it, or when the system of electoral quotient must be applied;

2nd. For each unitary election a separate vote will be carried out, but when the vote is for the regular and alternate delegate for a single position the election will be carried out jointly;

3rd. If a tie was reached in a unitary election, another vote will be carried out and if in the second vote a tie was also reached, the appointment of that position will be considered suspended. If a tie was reached when voting for proposals or resolutions, these will be considered as not accepted.

4th. When the name of a candidate is repeated one or more times in the same ballot, only the votes in their favor in said ballot will be counted; but if the repetition is due to this person appearing as the regular and alternate delegate of a position, its name for alternate delegate will not be taken into consideration;

5th. If any ballot has a number of names greater than the number it is supposed to have, the names that will be counted will be the first in order of appearance up to and including the last one before the due number is reached. If the number is smaller than the one it is supposed to have, all that appear will count.

6th. To integrate the Board of Directors and the commissions or collegiate bodies, the system of electoral quotient will be applied, in the manner prescribed by the law, unless there is unanimity of votes corresponding to the total of the shares represented in the meeting, or unless the National Government establishes the obligation to apply a different voting system.

7th. The company may not vote with its own reacquired shares in its power.

8th. If the Bylaws are modified, each article or group of articles that are substantially related to each other will be voted on separately, unless a shareholder or group of shareholders that represents at least five percent (5%) of the corporate capital, requests that they be voted on separately during the Assembly.

Article 27. - Functions and Attributions. - Functions and Attributions of the General Assembly of Shareholders include:

- a) Choosing and removing freely members of the Board of Directors, the Statutory Auditor, and ~~the respective delegates,~~ approving the succession policy for these positions, when needed;
- b) ~~Establish the compensation~~ Approving the general policy for remuneration of the members of the Board of Directors, ~~and of the Senior Management if a variable component of remuneration is found linked to the value of the business of the Company in the market, of the Statutory Auditor;~~
- ~~b)c)~~ Examining the accounting that must be presented by the Board of Directors and the Chairman each year, or whenever the Assembly demands it; and consequently, approving, not approving or modifying the corresponding financial statements and disclosures that, according to legal norms, they must submit for consideration;
- ~~e)d)~~ Appointing from its number a plural commission that studies the accounts, the financial statements and other reports of this type, when these are not approved, and which reports to the Assembly its findings in the period indicated by the Assembly;
- ~~e)e)~~ Considering the reports of the Board of Directors and of the Chairman in regard to the social businesses, disclosures, accounting and statistical data required by the law; the proposals presented by the Board of Directors with the financial statements and the report of the Statutory Auditor;
- ~~e)f)~~ Making use of the profits that exist in accordance to the financial statements of situation and of results, once approved, subject to the legal dispositions and to the norms of these bylaws. When exercising this attribution it may create or increase voluntary or occasional reserves for a specific purpose; and set the amount of the dividend, the manner and the period in which it is to be paid;
- ~~e)g)~~ Ordering the transfer or a change in destination of the occasional or voluntary reserves, their distribution or their capitalization, when these were deemed unnecessary;
- ~~e)h)~~ Appropriating profits that were designated as reserves to reacquire shares, subject to the bylaws and legal norms. In regard to such appropriations, the Board of Directors is authorized to use the reserves to acquire shares issued by the Company, as long as they are completely paid up, and in compliance with the norms applicable to negotiations in the stock market, and has the power to, when it deems it convenient, designate these shares for any of the purposes described in article 417 of the Code of Commerce;
- ~~h)i)~~ Ordering that certain ordinary shares be issued without them being subject to preemptive rights.

Con formato: Sin subrayado, Color de fuente: Automático, Sin Resaltar

Con formato: Justificado, Espacio Después: 0 pto, Interlineado: sencillo, Numerado + Nivel: 1 + Estilo de numeración: a, b, c, ... + Iniciar en: 1 + Alineación: Izquierda + Alineación: 0.63 cm + Sangría: 1.27 cm

Con formato: Sin subrayado, Color de fuente: Automático, Sin Resaltar

Con formato: Sin subrayado, Color de fuente: Automático, Sin Resaltar

h) Creating industrial or usufruct shares; issuing privileged shares, issuing regulations for their placement, determining their nature and the extension of their privileges, reducing these or eliminating them, subject to the norms of these bylaws and legal provisions.

i) Deciding on (i) the active or passive fusion of the Company with other company or companies, (ii) its transformation, (iii) its split, or (iv) its separation (wrongful split), the disposal of shares, a lien or a lease of the corporate company or of all of its shares, a portion of its assets, when the Board of that said operation compromises assets essential to the objectives of the Company, (v) the acquisition of other companies or assets when the Board of Directors judges that said action may result in the modification of objective of the company, (vi) anticipate dissolution or the extension of its duration and (vii) in general, on any reform, development or amendment of Bylaws, by means of a decision

j) Ordering the corresponding legal actions against administrators, directing delegates or the Statutory Auditor;

k) Designating, in the event of the dissolution of the Company, one or several liquidators, and alternate delegates for each one, removing them, determining their retribution and dictating them orders and instructions needed for the liquidation, and approving their accounts. As long as the names of the liquidator and his alternate delegate are not registered, the Chairman will be considered as such when the company is in liquidation, and the alternate delegates will be those who at that time are alternate delegates of the chairman, in the corresponding order;

l) Creating and placing shares with preferential dividends and without the right to vote; however, these may not represent more than the maximum percentage (%) established by the law.

m) Adopting, in general, all measures required to comply with the bylaws and for the common interest of the shareholders;

n) Any other indicated by the law or by these bylaws and which are not carried out by any other social body.

Article 28. - Delegation. - The General Assembly of Shareholders ~~can~~ may delegate to the Board of Directors or to the President, in certain cases or for a certain period of time, some of ~~the~~its functions, as long as they can be delegated due to their nature and if their delegation is not prohibited. Nevertheless, the functions described in a), b) and k) of article 27 of these bylaws will be considered exclusive to the General Assembly of Shareholders and thus non-delegable.

Article 31. - Chairman of the Board. - During the period for which it has been chosen, the Board of Directors will appoint from its numbers a Chairman, who will preside the meetings, will direct the deliberations and the actions of the corporation; if the Chairman is absent, the meetings will be presided by one of the members that attend the meeting, appointed ad hoc. Whoever is the legal representative may not act as President of the Board of Directors. Functions of the President of the Board include the following and those defined by the Board of Directors: (i) Assuring that the Board of Directors efficiently fixes and implements the strategic direction of the company; (ii) Promoting governing rules in the company, acting as a liaison between the shareholders and the Board of Directors; (iii) Coordinating and planning the operation of the Board of Directors by establishing an annual plan of work based on assigned functions, (iv) Calling the meetings, directly or by means of the Secretary of the Board of Directors; (v) Preparing the agenda of the meetings, in coordination with the President of the company, the Secretary of the Board of Directors and the other members; (vi) Guaranteeing the timely delivery of information to the Members of the Board of Directors, directly or by means of the Secretary of the Board of Directors; (vii) Presiding the meetings and handling the debates; (viii) Guaranteeing the execution of the agreements of the Board of Directors and carrying out follow ups to its orders and decisions; (ix) Monitoring the active participation of the members of the Board of Directors; and (x) Being a leader in the annual assessment process of the Board of Directors and the Committees, except for its own assessment.

Con formato: Fuente: Inglés (Estados Unidos)

Article 32. - Meetings. —The Board shall ~~hold ordinary meetings~~ meet regularly at least ~~six (6)~~ eight (8) times ~~per~~ a year, and ~~extraordinary meetings~~ extraordinarily when summoned by the same Board, by the President, by the Auditor or by two of its Members. Summons for extraordinary meetings shall be communicated at least a day in advance, but if all members are already assembled they may deliberate validly anywhere and take decisions without prior summons.

Article 33: Regulations. — Operation of the Board shall be governed by the following regulations:

1st. The President of the company will attend meetings but the Board may meet and decide validly without his presence;

2nd. It will deliberate with the presence of five (5) members, and this same majority vote shall be required to approve decisions, except in cases where statutes or laws require a special majority.

Paragraph: In the event that a potential conflict of interest (defined as stipulated in Article 23 of Law 222 of 1995, as well as any other regulation that supplements, modifies or replaces said law in the future) in which case one or more members of the ~~board of directors~~ of the Board of Directors should abstain from participating in the deliberations and the voting, quorum will consist of those members of the ~~board of directors~~ Board of Directors that do not present said conflict of interest, and decisions shall be taken by a simple majority of these unaffected members, but only if the decisive quorum required by law is achieved. Otherwise, the decision which creates the potential conflict shall be submitted for consideration by the General Assembly of Shareholders.

Article 34. - Duties. - The Board is given the broadest mandate for managing the Company and therefore is awarded sufficient powers to order the execution or to celebrate any act or contract that falls within its duties and to take the necessary decisions in order for the Company to fulfill its purposes and, specifically, has the following functions:

(a) Relating to the company's strategy:

- i. Convene the General Meeting of Shareholders to ordinary and extraordinary meetings when required by the needs of the company or requested by shareholders representing at least one-fifth (1/4) of the shares subscribed.
- ii. Approve and periodically monitor the strategic plan, business plan, management targets and annual budgets of the company, as well as periodic monitoring of the performance of the same and ordinary course of business, serving as an advisory body to the Presidency.
- iii. Define the structure of the company, including its subsidiaries and group governance model.
- iv. Establish company policies and those of its affiliates in the different orders of activity companies, and, where appropriate, develop the proposal to the General Assembly of the remaining policies or proposals that body must approve.

(b) Relating to corporate governance:

- i.v. Ensure respect for the rights of investors who have invested in securities issued by the company, ensure effective compliance and disclosure, and promote equal treatment for all shareholders and investors.
- ii.vi. Respect the right of shareholders to participate in dividends and profits of the company, participate in the appointment and removal of members from the Board and assess the report of its management, and participate and vote at the General Meeting of Shareholders.
- iii.vii. Approve the policies and the Annual Report of the Corporate Governance as well as information and communication policies with the various types of shareholders, markets, interest groups and the public in general.
- viii. Adopt the company's Code of Good Governance and ensure its effective compliance and disclosure.

Con formato: Superíndice

Con formato: Fuente: Negrita

Con formato: Inglés (Estados Unidos)

ix. Monitor the efficiency and the level of compliance with corporate governance measures and the ethical and behavioral standards adopted by the company, as well as the adoption of policies that relate to systems of anonymous complaints or "whistle-blowers".

(c) Relating to the control and management of risk:

x. Ensure an adequate control environment within the company and its subsidiaries, with preference for a control architecture that covers all the related companies, and monitoring their effectiveness.

xi. Approve risk policies and delegation thereof, and periodically monitor the company's main risks, including those that occur off the balance sheet.

xii. Approve, monitor and verify effectiveness as related to internal control systems in accordance with the procedures, stipulated in the risk control systems and alarms that have been adopted the Board.

xiii. Submit a proposal to the General Assembly for the hiring of an Auditor, having performed a prior analysis of their experience, availability and that they possess the human and technical resources necessary to perform said audit.

xiv. Monitor the independence and efficiency of the internal audit procedure.

(d) Relating to conflicts of interest and transactions between related entities:

xv. Be aware of and manage conflicts of interest between the company and shareholders, members of the Board and Senior Management as well as approve policies for managing conflicts of interest and the use of insider information by any employee, and regulate such conflicts through the establishment and operation of a Committee for Conflicts of Interest.

xvi. Define the rules that the company must follow for the evaluation and authorization of transactions performed by the company in respect to: 1) controlling shareholders, major shareholders or ones that are represented in the Board of Directors; 2) members of the Board of Directors and other Managers or persons related to them, and 3) with the company groups to which they belong.

(e) Relating to financial management and investments:

xvii. Approve the financial, accounting and investment policies of the company and determine the destination of the appropriations allocated by the Shareholders as investment reserves.

xviii. Authorize the acts or operations that, due to their amounts, exceed the President's or other Legal representatives' mandates, except when these mandates have been reserved for the General Assembly of Shareholders, in which case the function of the Board is limited to the proposal and justification of said operation. Pertaining to this, the board must previously authorize the President of the company before he/she may execute or enter into any act or contract where the amount is or exceeds forty-six thousand (46,000) times the value of the legal monthly minimum wage at the time of said operation and must do the same for other legal representatives when the amount exceeds twenty-three thousand (23,000) times the effective monthly minimum wage at the time of operation. This limitation excludes: (i) the purchase and sale of inventories for resale in stores, (ii) procurement of public services, cleaning, security, or other services necessary for the normal operation of the company, and (iii) financial operations required for the effective management of the company or to hedge its exposure to foreign exchange within the limits set for it by the Board. The above stated operations may be undertaken by the company's President, without limitations or prior authorization from the Board.

~~xix.~~ Authorize the creation or acquisition of shares in any company, regardless of their location as well as their subsequent disposal, when these operations: (a) are above the attributions of the Legal Representative or (b) take place in jurisdictions considered to be fiscal paradises regardless of their amount.

xx. It must also provide for and regulate the procurement of collective loans, issuance of securities, bonds or similar documents.

xxi. Start negotiations on mergers or integration with other companies, and submit these for approval at the General Assembly of Shareholders;

(f) Relating to the operation of the Assembly:

xxii. Propose policies for succession of the Board of Directors to be approved by the General Assembly of Shareholders and ensure that the procedures of proposing and electing Board Members are carried out in accordance with the formalities prescribed by the Company.

xxiii. Propose to the General Assembly of Shareholders the policy for remuneration of Board Members.

xxiv. Organize the evaluation and self-evaluation process of the Board of Directors and its members, in accordance with the rules adopted for this purpose, as well as ensuring compliance with policies and procedures governing the process of proposing and electing these said members of the Board.

xxv. Create any Support Committees for the Board deemed necessary, as well as the adoption of internal rules of operation for these said committees. Among them shall be included at least one Audit and Risk Committee together with a Nominating, Compensation and Corporate Governance committee.

(g) Relating to the management of the company:

xxvi. Appoint the Chairman of the company, the Internal Auditor and the Secretary General, and define the remuneration and compensation, performance evaluation and succession policy of these appointees. For these appointments, prior reports will be provided by the Appointment Committee, by the Remuneration and Corporate Governance committee, and in the case of the Internal Auditor a prior report will also be provided by the Audit and Risk Committee.

xxvii. Naming of the President of Business and Retail Trade Operations and of Vice-Presidents as per the Company President's proposals. Likewise, approve the remuneration and compensation, performance evaluation, and succession policy for these, except if said tasks were designated as a responsibility of the General Assembly.

xxviii. Determine the order of precedence in which the Vice-presidents and other officials shall act as alternates to the President and how he/she would be replaced in case of a temporary or accidental absence;

xxix. Authorize the policy for gratuities, benefits and other entitlements of an extralegal character to be provided for the company's service staff;

(h) Regarding the financial and non-financial information of the Company:

xxx. Prescribe methods or systems to be applied for accounting as well as standards for the preparation and presentation of financial statements in accordance with the established accounting laws and regulations;

xxxi. Monitor the integrity and reliability of accounting systems and of internal information based, amongst other things, on reports from internal auditing and from legal representatives.

xxxii. Monitor information, financial and otherwise, which must periodically be disclosed under the information and communication policies of the company.

xxxiii. Examine the financial statements that are periodically prepared by the management, as well as the books, documents, assets and dependencies belonging to the Company for the purposes of directing and evaluating the management.

xxxiv. Approve the financial statements for each financial year, the Management Report and the distribution of profits or the write-off of losses plan, which must be submitted to the General Assembly of Shareholders during its regular meetings;

xxxv. Liaising between the shareholders and the management of the company for the provision of information by creating and defining company policies and regulations that are effective mechanisms for ensuring the effectiveness and timeliness of information pertaining to the company's business.

xxxvi. Regulate the procedures for empowering shareholders and the owners of securities issued by the company through public offering, to perform specialized audits at their own cost and responsibility, in accordance with the rules and requirements that are defined for this purpose.

v-xxxvii. Consider proposals that are presented by a plural number of shareholders who represent, at least, five percent (5%) of the subscribed shares, and respond in writing to those who have formulated them, clearly indicating the reasons that motivated the decisions. In all cases the objective of such proposals may not be any issues related to industrial secrets or strategic intelligence for the development of the company.

xxxviii. Take care of requests or complaints from shareholders and investors related to the effective fulfillment of the rules of Corporate Governance.

(i) In relation to the shares of the company:

xxxix. Regulate the positioning of shares held in reserve, complying with legal requirements.

xl. Propose the share buyback policy to the General Assembly.

xli. Approve the dematerialization process of the Company's shares and authorize the President for its implementation.

xlii. Define the authorizations policy to company employees and members of the Board of Directors, every time the law demands and within its requirements, to acquire or to transfer shares of the Company.

xliii. Determine, in the event of default by a shareholder on the payment of pending installments for shares that have been subscribed, the indemnification will that must be used by the Company, between the various ones authorized by law.

a) Freely designate and remove the Chairman of the Company, the Chief Operating Officer of the Retail Trade Business, the Vice Presidents and the Secretary General, and establish their positions; b) Decide upon the dismissal, leave and resignation of the corresponding personnel, and delegate to the Chairman, when deemed necessary, in general or for specific cases, one or some of these powers; c) Regulate the placement of shares in reserve, subject to the authorization the General Assembly of Shareholders grants and taking into account the legal requirements; d) Summon the General Assembly of Shareholders for ordinary meetings, and extraordinary meetings when unforeseen or urgent circumstances of the company so require, or when the shareholders who represent at least one fourth (1/4) of the shares signed request; e) Establish the company policies in the different orders of their operation, especially when dealing with business, economic, financial and work affairs; adopt plans and budgets for the development of social businesses, and dictate norms and regulations for the organization and operation of all company subsidiaries. To fulfill this function, the Board of Directors shall make up work committees, in which their objective is aimed at providing recommendations as regards these matters; f) Prescribe methods or systems that shall be applied when dealing with depreciation, amortization, disposition and other necessary positions or appropriation to attend the demerit, devaluation and guarantee of net assets, the appraisal of inventories and other norms for the production and presentation of financial statements in accordance with the legal provisions and with the accounting norms established; g) Analyze the trial balance and other financial statements that administration shall periodically prepare for management and business assessment purposes, as well as previously analyze the balance of the end of the fiscal year and the statement of results, prepare the report of Administration and the project on the distribution of utilities or the cancellation of losses, that the General Assembly of Shareholders must present in their ordinary meetings; h) Approve the dematerialization of Company shares and give full powers to the Chairman for their implementation; i) Initiate negotiations as regards the merging with and taking over of other similar companies, and submit the corresponding project for the approval of the General Assembly of Shareholders; j) Examine the books, documents, assets and subsidiaries of the company, when available, by themselves or by means of one or many of the delegates designed to do so; k) Authorize, in general, extralegal awards, benefits and compensation for personnel working for the Company; l) Determine, in the event of late payment of a shareholder for the payment of pending installments for shares he/she may have signed, the arbitrator for the compensation that must be paid by the Company, among those authorized by law; m) Authorize the incorporation of subsidiaries or affiliates for the development of any business activities comprised within the Company's corporate purpose, as well as the acquisition, assignment, or transfer of shares, interests or social rights in said subordinates or in other companies or enterprises in accordance with section d) of article four (Art. 4) of these Bylaws; n)

Previously authorize the Chairman of the Company to execute or enter into any act agreement when the amount is or exceeds forty six thousand (46,000) times the amount of the legal monthly minimum salary applicable at the time of the transaction. This limitation excludes: (i) the purchase and sale of inventories for their resale in stores; (ii) the hiring of public services, cleanliness, security or other services necessary for the operation of the company within its regular course; and (iii) the financial operations required for the company's administration of money or for the insurance of its exposure to foreign currencies, within the limits established by the Board of Directors, acts in which the Chairman of the company can carry out with no limits whatsoever and without the need for prior authorization from the Board of Directors; o) Determine the application that must be given to the appropriations determined by the General Assembly to investment reserves, and to establish and modify available temporary investment policies which are not immediately necessary for the development of the Company's business affairs; p) Grant authorizations to the Chairman, the Chief Operating Officer of the Retail Trade Business, the operating officials and to the members of the Board of Directors; q) Determine the order of precedence in which the Chief Operating Officer of the Retail Trade Business and the Vice Presidents, acting as Chairman delegates, substitute him when he is absent temporarily or by accident; r) Determine the foundation and opportunities for the issuance and placement of ordinary shares, pursuant to article 7 of these Bylaws; s) Provide the contracting of collective loans, the issuance of business paperwork, bonds, etc. and regulate them; t) Approve the Manual of Conflict of Interests and the Use of Privileged Information regarding the company and regulate that which concerns the creation and operation of the Committee of Conflict of Interests. Said manual shall at least contain the following: Its purpose, the duties and prohibitions of the shareholders, directors, employees, administrators, senior officials, controlling shareholders and minority shareholders, as well as the procedures to follow should there be a conflict of interest; u) Adopt the Code of Good Governance of the company and assure its effective compliance and communication. By reason of the foregoing, it shall protect the permanent surveillance of the specific actions concerning the company's governance, its behavior and information. The shareholders and investors shall demand the Board of Directors for the effective compliance of the Code of Good Governance, submitting their claim by means of a written communication. The Compensation, Assessment and Monitoring Committee of the Code of Good Governance shall be in charge of acknowledging and settling these matters. v) Protect the rights of those who invest in securities issued by the company, ensure its effective compliance and communication, and promote the equal treatment for all shareholders and investors, by means of the implementation of mechanisms such as:

Article 35. - Delegation. - The Board of Directors will be able to delegate to the committees of the Board of Directors, the President, the Chief Operating Officer of the Retail Trade Business or to the Vicepresident, or other Legal Representatives, whenever it is deemed appropriate, for special cases or for a limited time, one or some of the functions listed in the preceding article, whenever by their nature they can be delegated and that their delegation is not forbidden, are delegable by not being prohibited by law or because their delegation is not recommendable in accordance with the rules of corporate governance contained in the Country Code published by the Superintendence of Finance.

Article 36. - Appointment and Legal Representation. - The Legal Representation of the Company, in and out of court, and the management of the corporate businesses will be the responsibility of an employee referred to as the President, whose appointment will be made by the Board of Directors for term periods of one year, without prejudice to being re-elected indefinitely and being removed freely by the Board at any time. All employees of the Company, with the exception of the Statutory Auditor and the Internal Auditor will be subordinates to the President in the performance of their roles.

Article 37. - Other Legal Representatives. - Simultaneously with the President, the legal representation will be applied jointly or separately by the Operative Business President of Commercial Retail, the Vice-Presidents and the Corporate Manager of Information and Technology, who in addition, in the order that the Board of Directors determine, will be substitutes for the President, and will replace him or her in cases of occasional or temporary absence and in absolute absences while they are in the position, or when they are legally prevented from or unable to act on a particular subject, circumstances that will be verified, declared and certified by the President of the Board of Directors. In the absence of Vicepresidents, other Legal Representatives, the members of the Board of Directors will be substitutes, in the order in which they have been elected.

Paragraph One. -. - In case of permanent absence, understood as death, accepted resignation or removal from the position for more than thirty consecutive days without license, the Board of Directors will appoint a

Con formato: Color de fuente: Automático

Con formato: Fuente: Sin Negrita

Con formato: Fuente: Sin Negrita

Con formato: Sin Resaltar

Con formato: Sin Resaltar

Con formato: Sin Resaltar

new President for the rest of the period; while the appointment and the corresponding registration in the commercial register takes place, the Presidency of the Company will be practiced by the substitutes indicated in this article.

Paragraph Two. - For the purposes of the legal representation of the company, it will equally have the quality of legal representative, the Secretary-General or the position that takes its place, who will represent the company exclusively before the jurisdictional, administrative, police and taxation authorities and organizations of the State.

Paragraph Three. - For the purposes of the legal representation of the company, ~~the in a simultaneous way, the other Legal Representatives other than the President Chief Operating Officer of the Retail Trade Business, the Vice Presidents and the Corporate Manager of IT and Technology shall~~ other will have fixed limitations in the Bylaws and, specifically, no enter into any act to these statutes, and in particular they will not be able to carry out actions or make contracts that exceed twenty-three thousand (23,000) times the value of the monthly minimum legal wage at the time of the transaction, without prior authorization from the Board of Directors. When another Legal Representative is in charge of the representation of the Company acting as delegate of the President in virtue of the temporary or definitive absence of the President, or because the President is unfit, the same restrictions that apply to the President will apply to the Legal Representative.

Paragraph Four. - The agent operation without the previous authorization of the Board of Directors. When another Legal Representative practices the representation of the company as a substitute of the President by virtue of his/her temporary or definitive absence or because of becoming prevented or unable, the same limitations established for the President will apply to them.

Article 38. - Duties. - The Chairman of the Company is the chief executive with representation powers, with executive and management functions and, as such, he is in charge of the legal representation of the Company, the business and financial management, the responsibility of the administrative action, the coordination and the general supervision of the Company, which he shall execute in accordance with these Bylaws and legal provisions, subject to the orders and instructions from the Board of Directors. In addition to the general functions aforementioned, the Chairman shall also:

- a) Execute and fulfill agreements and decisions from the General Assembly and the Board of Directors;
- b) Freely appoint and remove Company employees, except those whose appointment and removal compromises the General Assembly of Shareholders and the Board of Directors;
- c) Summon the Board of Directors when deemed necessary or convenient, and keep it duly informed as regards any operation for social businesses; submit for consideration the trial balances and other financial statements destined for administration, and provided all reports they request concerning the company and its operations.
- d) Call for a General Assembly of Shareholders and present, in the ordinary meeting, the balance for the end of the fiscal year along with the reports, utilities distribution project and other disclosures and special information required by law, prior to the analysis, consideration and approval of the Board of Directors.
- e) Maintain the market fully informed of relevant facts and matters which have taken place in the company as well as their main risks, by means of the due disclosure of information to the Financial Superintendence and the Stock Market in which the securities issued by the company are registered. The foregoing, for the shareholders and investors ~~beare~~ constantly informed of relevant facts, acts and operations related to the company that, in some way, may affect its interests. In agreement with Paragraph ~~4to3~~ of Article 37, the Financial Vice President shall fulfill the function of compliance agent concerning relevant information. In accordance with the foregoing, a place with information for shareholders and investors shall be created in the company's webpage.
- f) Ensure the effective compliance and disclosure of the Code of Good Governance, jointly with the Board of Directors.

- g) Provide the opening or closure of subsidiaries or agencies, within or outside the main headquarters and determine the extension and limitations of the powers granted to the administrators of the respective institutions.
- h) And others granted by these Bylaws or legislation.

Article 39. - Authorization. - As ~~a legal representative~~representatives of the Company, in and out of court, the President ~~and the other Legal Representatives will have the~~ authority to implement or to perform, without other limitations other than those established in these statutes, operations that must be previously authorized by the Board of Directors or the Meeting of Shareholders, all the actions or contracts understood within the corporative objective or that simply have a preparatory, accessory or complementary nature for the accomplishment of the aims that the company pursues, and those that are directly related to the existence and the operation of these. The President ~~is granted and the other Legal Representatives will be granted~~ special powers to compromise, arbitrate and be involved in the company businesses, to bring about or to help judicial or administrative actions or disputes in which the Company has an interest and to interpose all the applicable resources according to the law; to stop actions or resources that interpose; to notate obligations or credits; to give or to receive goods in payment; to establish the judicial or extrajudicial representatives that are deemed necessary so that, acting under their orders, they represent the Company in any sort of business, and to determine their authorization, previous authorization from the Board of Directors when it is to form general representatives; to revoke mandates and substitutions.

39th Article bis. - Delegation. – The President will be able to delegate to the employees of the company, especially in the Senior Management, the practice of one or some of the previous functions and authorizations, whenever by their nature such functions or authorizations are delegable and the delegation is not prohibited, in accordance with the policy that the Board of Directors approves for this reason.

Article 40. - Appointment. - The Statutory Auditor and his/her Substitute will be chosen by the General Meeting of Shareholders for periods of two (2) years simultaneous to those of the Board of Directors, but as representatives from the group of the shareholders they can be removed at any time by the Meeting and be re-elected successively, with the vote corresponding to the absolute majority of the shares represented in the meeting. The Substitute will replace the principal in all cases of absolute or temporary absence.

Paragraph One. - The Tax Auditing can be entrusted to an accounting firm or association designated by the General Assembly of Shareholders. In this case, the designated accounting firm or association must appoint a public accountant to conduct the audit personally and a substitute in case the assigned accountant is unable to perform his/her functions.

Paragraph Two. - The ~~administration~~Board of Directors will guarantee that the General Assembly of Shareholders selects the Tax Auditor in a transparent and objective way. To that end, the Board of Directors will adopt a policy for the designation of the Fiscal Auditor, study the quotes and general and specific qualifications of three candidates and will make any recommendations it considers necessary to the General Assembly of Shareholders so an Auditor can be selected.

Article 52. - Dispute Settlement. - The disputes that arise ~~between the shareholders and the Company, or amongst those,~~ by reason of the social agreement, the shareholders and the company, or the shareholders and the Board of Directors, while ~~the Company this~~ entity exists, at the time that it is being dissolved or during the period that it is being liquidated, and which cannot be settled directly by those involved with a period of thirty (30) business days, will be subject to the decision of a Court of Arbitration, comprised of three designated arbitrators agreed on by the parties, and if no agreement is reached, by the Medellin Chamber of Commerce. The decision must be rendered according to the law, preferably by applying the regulations contained in the statutes detailed here and, where these or other Colombian laws fall short, by applying the general principals of law and natural equity, pursuant to the legal regulations that govern the arbitration process. ~~If, for some reason, the Chamber of Commerce does not designate the arbitrators, the designation~~

Con formato: Sin Resaltar

Con formato: Sin Resaltar

Con formato: Sin Resaltar

will be carried out in accordance with the procedural regulations that apply to the case. For the purposes of this clause, a party is understood as a person or group of people with a common interest.

Paragraph. ~~Arbitration may be excused when within fifteen (15) days subsequent to the date in which the dispute arises, direct settlement stage has failed for the interested parties, being able agree upon, and dealing with a controversy susceptible to transaction, resolve to submit it to amicable compositours. In this case, each party shall appoint a person of renowned honor and expertise in the Company's business, prior to the approval of the other party. The appointments shall be communicated resolved jointly by subjecting the difference to a conciliation or to an amiable composition. In the former case, it is, when the parties, without stating who appointed whom. The decision shall be taken into account based on the arguments and elements of oral judgment or by any opt for writings submitted by the interested parties. There being no agreement, subjecting the controversy to conciliation, the rules to be followed for the on the decision needed to be taken, the amicable compositours have the power to appoint a third party, in which case they shall analyze once again the controversial matter or matters resolving by unanimous decision or by the majority of votes. That which is resolved by the amicable compositours as previously established shall be mandatory and not subject to appeal by any of the parties generating, as a consequence, a binding effect on the agreement, pursuant to the law the conciliation are the ones of the Medellin Chamber of Commerce (Cámara de Comercio de Medellín).~~

~~In the second case, that is, when the parties opt for friendly composition, the parties will decide the number of friendly arbitrators and will appoint them. In case of a discrepancy about the number of friendly arbitrators or their appointment, a single friendly arbitrator will be designated by the Medellin Chamber of Commerce's Conciliation and Arbitration Center. The rules and procedures of the aforementioned Conciliation and Arbitration Center will apply to this mechanism. The decision will have conciliatory effects, pursuant to Law 1563 of 2012 and any regulations that modify it or are added to it.~~

Article 54. - Prohibitions. ~~The Company is prohibited from establishing itself as a guarantor of obligations for third parties and from guaranteeing any obligations, other than those arising from its purpose or social company, with company assets, except on grounds of expediency when recognized by the Assembly of Shareholders with affirmative votes from the majority of voters present.~~

Paragraph: ~~The Company may act as a guarantor of obligations or pledge assets of its subsidiaries, belonging to the companies in which it has shareholding interest or with which it has signed a collaboration agreement for the development of a business line, in which case prior authorization from the Company's Board of Directors will be required.~~

Article 58 bis. - --Board, Board Committees. ~~The Board of Directors will create committees to support its management. These will include, at least, an Auditing and Risks Committee and a Nomination, Remuneration and Corporate Governance Committee. However, the Board of Directors may divide these committees' functions between others that it creates for these purposes. The committees will be comprised of at least 3 members of the Board of Directors, including all the independent members, whom will be chosen by the Board of Directors y whom must count with the adequate expertise in order to fulfill the functions inherent of the position. The chairmen of said committee these committees must be independent members. Also, the auditing committee will include all of the independent members and the company's tax auditor, who will attend meetings and will have the right to speak but not to vote.~~

~~Functioning: The Audit Commission shall meet at least once every three (3) months, and the decisions taken shall be adopted by the simple majority. This commission, in the terms established by the National Government, shall monitor the compliance of the internal audit commission program which shall take into account the business risk and comprehensively assess all areas of the issuer. Similarly, it shall protect the preparation, presentation and disclosure of financial information according to the law, as well as review the reports of the financial process, the internal control system and the administration of financial risks, and the company's process to monitor the compliance of legal norms and internal ethics code. For the compliance of their functions, the audit commission shall hire independent specialists in specific cases, when deemed convenient, pursuant to the general contracting policy of the company.~~

~~Functions: The main functions of the Audit Commission, notwithstanding others that may be subsequently determined, are the following:~~

Con formato: Sin Resaltar

Con formato: Sin Resaltar

Con formato: Sin Resaltar

Con formato: Sin Resaltar

Con formato: Sin Resaltar

~~Consider the financial statements before submitting them for considerations to the Board of Directors and the highest social body.~~

The Board of Directors must adopt rules to govern the aforementioned committees; these must include the frequency of its meetings and the functions for which it is responsible and must comply with the legal rules and regulations of corporate governance that the Board of Directors voluntarily accepts, in accordance with the recommendations of the Country Code promulgated by the Superintendence of Finance.

Article 59. - Internal Audit or Internal Control. - The Company will have an Internal Audit office, which will be in charge of operational and financial auditing as well as IT auditing. This office will also monitor the reliability of the financial information and compliance with the processes established by the company. This office will be led by the Internal Auditor, who will depend professionally and functionally on the Board of Directors, which will be responsible for appointing the auditor and rejecting candidates proposed by the Auditing Committee.

Article 60. - External Audits. - The shareholders and holders of bonds issued by the company and offered through public offer approved by the Superintendence of Finance, who represent at least five per cent (5%) of the total amount of titles in circulation, will be able to carry out specialized audits once a year, at their own expense and under their responsibility, in accordance with the ~~rules and requirements established in the Code Good Governance provisions defined by the Board of Directors,~~ which will, at least, establish: Term, opportunity, frequency, procedure and requirements to request an audit, items that can be included in the audit, responsibilities, authorizations and the time in which the audit should be granted and conducted, how the person responsible for conducting the audit is to be appointed, and other pertinent aspects.

Article 61. - Corporate Governance. The company, its administrators and its employees are required to comply with the rules of corporate governance set forth in the law, in the statutes detailed here, and in the any other policies the General Assembly of Shareholders or the Board of Directors adopt hereinafter, following the recommendations set forth in the Country Code promulgated by the Superintendence of Finance.

Con formato: Sin Resaltar

Con formato: Sin Resaltar

Con formato: Sin Resaltar

Con formato: Sin Resaltar

Con formato: Sin Resaltar

Con formato: Sin Resaltar