

**SALE SCHEDULE OF THE ISAGEN S.A., E.S.P. SHARES OWNED BY  
MEDELLIN PUBLIC COMPANIES E.S.P.**

**NOTICE OF THE START OF THE SECOND STAGE**

**EMPRESAS PÚBLICAS DE MEDELLÍN, E.S.P.**, hereinafter **EPM** or the Seller, a State industrial and commercial company at the municipal level, located in Medellín, Colombia, invites the general public to participate in the Second Phase of the Sale Schedule, approved by EPM's Board of Directors in a virtual meeting held on March 15 and 16, according to Act Num. 1607, and through the present announcement, notifies interested parties of the start of the Sale Schedule's Second Phase. Said Sale will be carried out according to the Sale Regulation's terms and upon the completion of the Sale Schedule's First Stage.

In compliance with the provisions of Article 25 of the 1995 Law 226, the offer of the ISAGEN shares that EPM owns to Special Conditions Recipients, had to be carried out over a period of at least two (2) months.

Because of the foregoing, EPM carried out this First Stage between April 5, 2016 and June 7, 2016. In that stage, Shares were not sold, with three hundred fifty-eight million three hundred thirty-two thousand (358,332,000) shares remaining, accounting for thirteen point fourteen percent (13.14%) of outstanding Shares.

The terms that are capitalized in the present Notification of the Start of the Second Phase and that have not been defined in this Notice shall have the meaning attributed to them in the Sale Regulation.

**1. SELLER:** Empresas Públicas de Medellín E.S.P.

**2. Issuer:** ISAGEN S.A. E.S.P.

**3. NUMBER OF SHARES AND TOTAL AMOUNT OFFERED:** three hundred fifty-eight million three hundred thirty-two thousand (358,332,000) ISAGEN Shares, which represent thirteen point fourteen percent (13.14%) of the total ISAGEN outstanding shares owned by EPM, which constitute the object of the sale, at a minimum price of \$4.130 Colombian pesos per share, in compliance with the provisions set forth in the Sale Regulation of ISAGEN, S.A., E.S.P. Shares Owned by EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

**4. INVESTORS IN THE SECOND STAGE:** are the natural or legal persons who may decide to submit a Purchase Order for the Shares offered in the course of the Second Phase's Public Sale Offer.

**5. PUBLIC SALE OFFER IN THE SECOND PHASE:** is the public offer of sale of the Shares not acquired by the Special Conditions Recipients during the First Phase, carried out by EPM through the mechanism of Equilibrium Price Auction offered by the Colombian Securities Exchange (BVC). This offer is carried out in Colombia's secondary market and is directed toward the general public, according to the terms defined in the Sale Regulation.

The Second Stage Public Sale Offer's procedure, through which the auction is regulated, is contained in section 7.4 of the Sale Regulation.

**6. PURCHASE ORDER:** is the unilateral statement of intent of each Stockbroker, acting on behalf of his clients or originators who may be Second Stage Investors. Said statement of intent will be understood to be expressed through the simple act of entering the appropriate Purchase Order in the Colombian Securities Exchange's XSTREAM trading system, according to the Regulatory Bulletin's provisions.

**7. SECOND PHASE PRICE PER SHARE:** is the minimum price per share of \$4.130 Colombian pesos, established according to the provisions of the Regulation of the Sale of ISAGEN, S.A. E.S.P. Shares owned by EMPRESAS PÚBLICAS DE MEDELLÍN, E.S.P.

To clarify, this pertains to the minimum price, which is why the price may change, depending on the bids entered during the auction. In any case, said changes shall comply with the provisions of the Regulation of Sale.

**8. OFFER PERIOD:** is the date on which the Equilibrium Price Auction occurs, which will take place on June 30, 2016 from 7:30 am until 8:00 a.m., with a random closing at an interval of time between a minute before the defined time and a minute after it (- 60 y + 60 seconds).

**9. SECOND STAGE PUBLIC SALE OFFER PROCEDURE:** the Public Sale Offer in the Second Stage will be carried out through trading methodology by means of Equilibrium Price Auction, which allows the entry of Purchase Orders, through investors' accounts, and of sale orders, exclusively through EPM's account, making use of an independent instrument within the shares counting wheel in the Colombian

Securities Exchange's X-STREAM trading system, as per the provisions of the Regulatory Bulletin issued by Colombian Securities Exchange.

Investors may submit their Purchase Orders to participate in the auction through any active Stockbroker who wants to participate voluntarily in the auction.

In accordance with the foregoing, sale orders entered by Stockbrokers who are not authorized by EPM, as well as those orders entered by Stockbrokers contracted by EPM who fail to comply with the conditions that said organization has established and reported to the Colombian Securities Exchange, will be removed immediately by the Colombian Securities Exchange Administrator. It is the sole responsibility of the Stockbrokers and their traders to enter Purchase and sale Orders into the system according to the provisions of the Regulation Bulletin for the Second Stage procedure that the Colombian Securities Exchange issues. Consequently, in the event that unauthorized sale orders are entered, the Stockbroker shall be responsible for the applicable penalties.

Similarly, it is the sole responsibility of the Stockbrokers—those who act to buy as well as those who act to sell—to fulfill the transactions that are matched and accepted in the system as a result of the present procedure; the lack of resources of the principal party will not be permitted as an excuse for non-compliance.

The Stockbrokers who wish to participate in the Equilibrium Price Auction must enter the Purchase Orders at a price greater or equal to the price established in the Notice of the Start of the Second Phase.

**10. GENERAL CRITERIA FOR THE AUCTION'S MATCH:** at the end of the Auction, the system will allocate the transactions by means of an equilibrium price match algorithm. To that end, the System is based on the following criteria:

- a. It determines the Equilibrium price as the price that maximizes the quantity offered in order to allocate the greatest number of Shares in the Auction.
- b. In the case that more than one price meets the aforementioned criterion, the price that causes the least imbalance will be chosen. The least imbalance is understood as the least quantity of remaining shares not awarded at the indicated price.

c. If there still exists more than one price that meets the criteria established in the previous sections, the award price that satisfies one of the following conditions will be chosen:

(i) In the case that the accumulated quantity of purchase orders is greater than the accumulated sell orders, the higher price shall be chosen. Accumulated quantity by purchase (or sale) is understood as the sum of all the quantities of Purchase (or sale) Orders compatible with the indicated price.

(ii) In the case that the accumulated quantity of purchase orders is less than the accumulated quantity of sale orders, the lower price shall be chosen. Accumulated quantity by purchase (or sale) is understood as the sum of all the quantities of Purchase (or sale) Orders compatible with the indicated price.

(iii) In the case that the accumulated quantity of purchase orders is equal to the accumulated quantity of sale orders, the system will calculate a simple arithmetic average of the prices that meet the conditions rounded to the Price Tick and this will be the auction's Equilibrium price.

Once the Equilibrium price has been determined, the system will adjust the active Orders that are compatible with the price definition set forth in the Regulatory Bulletin and, depending on their order in the In-Depth Public Book, may be matched according to the available quantity. If the matching is done by the total value of orders, these will disappear from the Public Orders Book or In-Depth Public Book, automatically generating the register and disbursement of transactions. In the case that the matching of Orders is partial, the System will discount the appropriate quantity from the order, generate the respective transactions, and leave the remainder of orders, which will expire upon the Auction's closing.

Once the auction's allocations have been finalized, the Colombian Securities Exchange will report the results to the market, through an Informational Bulletin, and to the Stockbrokers, through the BackOffice systems, where they will be able to determine the amount to be fulfilled.

**11. FULFILLMENT:** the Stockbrokers and custodians, who for the purposes of fulfillment may have Purchase Orders that have been awarded in the auction, should move all the resources for this transaction to the Colombian Securities Exchange, according to the terms set forth in the Regulatory Bulletin that the Colombian Securities Exchange issues for the Second Phase.

Once the payment has been received, the release of the titles for the corresponding transactions will be processed. The transfer of the titles of the awarded Shares will be carried out through entries in the account that Deceval creates for the Purchaser; that is to say, by registering the Purchaser as the titleholder of the ISAGEN shares that Deceval carries, once all the Shares have been paid for. Payment for the Shares must be completed, at the latest, by the Business Day following the Second Stage Allocation Date.

**12. LIMITS TO NEGOTIABILITY:** the Purchasers are obligated to not negotiate, sell, or limit their ownership of the Shares and to not engage in any business that has the purpose or effect of a third party becoming the real beneficiary of the Shares during the two (2) months immediately following the date on which the shares were awarded to them by EPM through the Colombian Securities Exchange, Inc.

**13. STOCKBROKERS:** are the Stock Brokerage companies through which the Second Stage Investors will submit their Purchase Orders for the Second Stage Shares. Any active Stockbroker who is a member of the Colombian Securities Exchange and wants to voluntarily participate in the auction may do so.

The Stockbroker who will represent EPM during the auction and through whom the sale order will be included shall report directly to the Colombian Securities Exchange through EPM.

**14. SALE REGULATION:** for a complete understanding of the Second Stage Public Sale Offer, the Acceptor should review the Sale Schedule, the Sale Regulation and the Sale Logbook, together with all their annexes, which will be available to Acceptors free of charge on the webpage [www.epm.com.co](http://www.epm.com.co), and whose publication will be announced to the market with the relevant information icon on the Colombian Financial Superintendence's webpage: [www.superfinanciera.gov.co](http://www.superfinanciera.gov.co). This website will also include a link that allows the complete content of the Sale Schedule, Sale Regulation, and Sale Logbook, along with all their annexes, to be consulted.

**15. MECHANISM TO PREVENT AND CONTROL ASSET LAUNDERING:** the stock brokerages that want to participate in the auction must require from all their clients the documentation necessary to comply with all active regulations on the prevention of asset laundering and financing terrorism, as well as the SARLAFT procedures.

**16. CIRCULATION LAW:** the Shares are listed in the Colombian Securities Exchange, Inc., circulate in the secondary market of the Colombian Securities Exchange, Inc., and are completely dematerialized and deposited in Deceval for their management

and custody. The Shares may not be materialized again and, consequently, the Acceptors expressly waive the right to request the materialization of the Shares. In light of the foregoing, each successful bidder should have a Direct Depositor, or sign an agency contract so that third parties may act according to the terms established in the Deceval Operations Regulations.

#### WARNINGS

THE SHARES OFFERED DURING THE COURSE OF THE SECOND STAGE'S PUBLIC SALE OFFER ARE TAX-FREE AND FREE FROM OWNERSHIP LIMITATIONS, AND DO NOT ALLOW PROTECTIVE ORDERS.

THE ISAGEN S.A. ESP SHARES WERE LISTED IN THE NATIONAL SECURITIES AND ISSUERS REGISTRY THROUGH THE COLOMBIAN FINANCIAL SUPERINTENDENCE'S DECEMBER 16, 2005 RESOLUTION NUMBER 128.

READING THE SALE SCHEDULE, THE SALE REGULATIONS, AND THE SALES LOGBOOK IS CONSIDERED INDISPENSABLE FOR POTENTIAL INVESTORS TO BE ABLE TO ADEQUATELY EVALUATE THE SUITABILITY OF THE INVESTMENT.

THE LISTING IN THE NATIONAL REGISTRY OF SECURITIES AND ISSUERS AND THE AUTHORIZATION OF THE PUBLIC OFFERING DO NOT IMPLY RATING NOR RESPONSIBILITY WHATSOEVER BY THE FINANCIAL SUPERINTENDENCE OF COLOMBIA IN CONNECTION TO THE NATURAL OR LEGAL PERSONS REGISTERED, TO THE PRICE, FITNESS OR NEGOTIABILITY OF THE SECURITIES, AS WELL AS IN CONNECTION TO THE CORRESPONDING ISSUE OR ABILITY TO PAY OF THE ISSUER.

THE LISTING OF THE SHARES IN THE COLOMBIAN SECURITIES EXCHANGE, AS WELL AS THE ORGANIZATION AND HOLDING OF THE SALE OFFER ON THE PART OF THE COLOMBIAN SECURITIES EXCHANGE DOES NOT IMPLY A CERTIFICATION OF THE QUALITY OF THE SECURITIES' NOR OF THE ISSUER'S SOLVENCY.

THE SOLE PLACEMENT OF A PURCHASE ORDER CONSTITUTES AN EXPRESS MANIFESTATION ON THE PART OF THE INVESTOR THAT HE IS AWARE OF AND ACCEPTS THE TERMS AND CONDITIONS OF THE SALE SCHEDULE ESTABLISHED IN THE SALE REGULATION, THE REGULATORY BULLETINS THAT THE COLOMBIAN SECURITIES EXCHANGE ISSUES, AND OTHER RELATED DOCUMENTS.

June 20, 2016