

## COUNTRY CODE SURVEY 2013

Sent on April 30, 2014, 5:09 pm

	Question	Subject	Standard	Answer	Justification for Answer 2013
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### I. GENERAL ASSEMBLY OF SHAREHOLDERS

1	At the last General Assembly of Shareholders, within the terms of the call to the assembly and at the registered office, was the necessary documentation made available to the shareholders so that they could be properly informed about the matters to be addressed? (Standard 1)	Call to the Assembly	1	Yes	Due to its legal nature as an industrial and commercial company of the State, and being under sole ownership of the Municipio de Medellín [Municipality of Medellin], EPM does not have a shareholder assembly. Nevertheless, as the survey does not offer the option of “not applicable (N/A)”, we respond affirmatively, since EPM regularly submits accounts to its sole owner, the Municipio de Medellín, using standards which are similar to those of an Assembly of Shareholders, in the first quarter of the year, and also has its Financial Statements approved.
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2	Does the information made available to the shareholders during the Call to the General Assembly of Shareholders contain the proposal of the candidates to join the Board of Directors? (Standard 2)	Call to the Assembly	2	Yes	Due to its nature as an industrial and commercial company of the State, and being under sole ownership of the Municipio de Medellín, EPM does not have a shareholder assembly; rather, the EPM Board of Directors is appointed by the Mayor of Medellín, according to article 27.6 of Law 142 of 1994 and article 7 of Agreement 12 of 1998 (EPM Articles of Incorporation). The information regarding the appointment of EPM board members can be found in a municipal decree, which is public and was published in the Municipal Newspaper.
3	Supposition: If the issuer is linked with a parent company and/or subsidiaries, answer the question with yes or no. Otherwise, respond N/A. Question: Did the issuer make the financial information about its subsidiaries and/or parent companies available to the shareholders? (Standard 2).			Yes	Due to its nature as an industrial and commercial company of the State, and being under sole ownership of the Municipio de Medellín, EPM does not have a shareholder assembly; however, all the information about the subsidiary companies of EPM was made available to the Municipio de Medellín, in the consolidated annual financial report during the first quarter of the year.

4	<p>Supposition: If the issuer has a webpage, answer this question. Otherwise, answer N/A. Question: Was the call for the last General Assembly of Shareholders and any other necessary information about this published on the issuer's webpage? (Standard 3)</p>	Call to the Assembly	3	Yes	<p>Due to its nature as an industrial and commercial company of the State, and being under sole ownership of the Municipio de Medellín, EPM does not have a shareholder assembly. Nevertheless, we respond affirmatively, since EPM makes the information about the management of the company available to its sole owner, the Municipio de Medellín, including financial information and information for each one of the interest groups. The information is given following similar procedures to those which would be used by an Assembly of Shareholders. All of the relevant information required by the Municipio de Medellín, as owner, and by other interest groups, such as investors, is permanently published on the institution's website: <a href="http://www.epm.com.co/site/Home/Institucional/Relaci%C3%B3nconelMunicipio.aspx">http://www.epm.com.co/site/Home/Institucional/Relaci%C3%B3nconelMunicipio.aspx</a>. The Group's financial information is updated every three months at: <a href="http://www.epm.com.co/site/inversionistas/inversionistas.aspx">http://www.epm.com.co/site/inversionistas/inversionistas.aspx</a>.</p>
5	<p>In the agenda established for the Assemblies of Shareholders carried out during the period evaluated, were the different matters of business to be discussed broken down? (Standard 4)</p>	Call to the Assembly	4	Yes	<p>At EPM there is no shareholders assembly. However, all the reports and matters which are normally considered at companies' Ordinary Assemblies are produced and presented to the owner. (See Question 1 Comment).</p>

6	<p>Supposition: If the issuer has performed a separation under the terms of the glossary, respond to the question; if not respond N/A.  Question: Was the separation approved by the General Assembly of Shareholders? (Standard 5)</p>	Call to the Assembly	5	N/A	Due to its legal nature as an industrial and commercial company of the State, and being under sole ownership of the Municipio de Medellín, EPM does not have a shareholder assembly that can approve a separation.
7	<p>Supposition: If the issuer has performed a separation under the terms of the glossary, respond to the question; if not respond N/A.  Question: Was the separation included in the Call to the Assembly at which it was adopted? (Standard 6)</p>	Assembly conducted	6	N/A	Due to its legal nature as an industrial and commercial company of the State, and being under sole ownership of the Municipio de Medellín, EPM does not have a shareholder assembly that can approve the separation.
8	<p>Supposition: If the issuer's corporate purpose has been modified; respond to the question; if not respond N/A.  Question: Was the change in corporate purpose included in the Call to the Assembly at which it was adopted? (Standard 6)</p>	Assembly conducted	6	N/A	The corporate purpose of the company was not changed. The modification of EPM's corporate purpose requires a statutory reform which must be approved by the municipal Council, meaning the Medellín City Council, as it is an industrial and commercial company of the state of a municipal character.

9	<p>Supposition: If the assembly of shareholders approved the waiver of the preferential right to subscriptions, answer the question; if not respond N/A. Question: Was the waiver of the preferential right to subscriptions included in the Call to the Assembly at which it was adopted? (Standard 6)</p>	Assembly conducted	6	N/A	<p>EPM is a company that does not have its capital in shares. It is an industrial and commercial company of the state of a municipal character, and its owner is the Municipio de Medellin. As the company's capital is not represented in shares, and as it therefore does not have shareholders, a shareholders assembly is not held and preferential rights, and the waiver of such rights, do not apply.</p>
10	<p>Supposition: If the Assembly of Shareholders has modified its registered offices, answer the question; if not answer N/A. Question: Was the change in registered offices included in the Call to the Assembly at which it was adopted? (Standard 6)</p>	Assembly conducted	6	N/A	<p>The company's registered offices were not modified. The modification of EPM's registered offices requires a statutory reform which has to be approved by the municipal Council, meaning the Council of Medellin, as it is an industrial and commercial business of the state of a municipal character.</p>
11	<p>Supposition: If the Assembly of Shareholders has approved the early dissolution of the company, answer the question; if not answer the question N/A. Question: Was the early dissolution included in the Call to the Assembly at which it was approved?</p>	Assembly conducted	7	N/A	<p>EPM is a company that does not have its capital represented in shares; it is an industrial and commercial company of the state of a municipal character and its owner is the Municipio de Medellin. As a result, the company does not have a shareholder assembly that can decide the early dissolution of the company.</p>

12	Does the issuer possess the electronic means which permit the shareholders who can't attend the Assembly of Shareholders to access the information about its development? (Standard 7)	Assembly conducted	7	Yes	EPM does not have a shareholder assembly. However, its accounts are public and freely available to all interested parties. (See comment Question 1) The accounts are presented in different spaces, and are published using mass and electronic media. This promotes the participation of the municipal government, directly representing the owners and of the community of Medellin.
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13	<p>If during the period of evaluation relevant operations have been performed with economically related parties which are different to those in respect of which the following conditions appear simultaneously: a. That they conform to market values, fixed in a general way by the party acting as supplier of the goods or services in question, and b. That they concern the ordinary operations of the issuer, and that they are not material. Answer the question, if not answer N/A. Question: Were the relevant operations performed with economically related parties referred to in the Supposition, except those which by express legal provision the issuer cannot perform, approved by the General Assembly of Shareholders? (Standard 8)</p>	Approval of relevant operations	8	N/A	<p>In EPM there is no assembly of shareholders. However, the Mayor of the Municipio de Medellin, as President of the Board of Directors of EPM, approves the operations with economically related parties, which are made public in the financial report. At the same time, these are reported as relevant information to the Financial Superintendence. (See commentary Question 1)</p>
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14	Does the issuer make the rights and obligations inherent to the position of shareholder known to the public in a clear, exact and complete way? (Standard 9)	Shareholder rights and equal treatment	9	Yes	<p>EPM's sole owner is the Municipio de Medellin. The relationship between it and EPM is governed by the National Constitution, the laws which regulate the relationship between territorial entities and their decentralized bodies, the Articles of Incorporation of EPM and the Agreement on the Governing Framework subscribed by the Municipio of Medellin and EPM. The Articles of Incorporation and the Agreement are available on the webpage <a href="http://www.epm.com.com">www.epm.com.com</a>, "Investors" section.</p> <p>The Agreement on the Governing Framework establishes precisely the principles of the company-owner relationship, as well as the commitments and the rights of each one of the parties in said relationship.</p>
15	Does the issuer make the classes of shares issued public in a permanent manner? (Standard 10)	Shareholder rights and equal treatment	10	No	Due to its nature as an industrial and commercial company of the State, and being under sole ownership of the Municipio de Medellín, EPM's capital is not represented in shares; as such, everything in the present survey that makes reference to shares does not apply to the Company.
16	Does the issuer make the quantity of shares issued public in a permanent manner? (Standard 10)	Shareholder rights and equal treatment	10	No	Does not apply, as EPM is not a corporation with shares (See comment question 15)



17	Does the issuer make the quantity of shares in reserve for each class of shares public in a permanent manner? (Standard 10)	Shareholder rights and equal treatment	10	No	Does not apply, as EPM is not a corporation with shares (See comment question 15)
18	Does the issuer have internal regulations on the procedure for the shareholders general assembly? (Standard 11)	Shareholder rights and equal treatment	10	Yes	According to the instructions for this survey, given that EPM does not have a General Assembly of Shareholders, the response is given with respect to the body that performs its functions. In this case the relationship with the owner is governed by the Relationship Framework Agreement subscribed by the Municipio de Medellin and the EPM. This public document has been valid since the year 2007.
19	Supposition: If the issuer has internal regulations on the Procedure of the Assembly of Shareholders, answer the question. If not, answer N/A. Question: Do the Internal Regulations on the Procedures of the General Assembly of Shareholders include provisions about the Call to Assembly? (Standard 11)	Shareholder rights and equal treatment	11	Yes	According to the instructions for this survey, and given that EPM does not have a General Assembly of Shareholders, the response is given with respect to the body that performs its functions. In this case, in respect of the relationship with the owner, which is regulated by the Relationship Framework Agreement Municipio de Medellin - EPM. This public document has been valid since the year 2007. Within this Agreement it is established that the owner will communicate with EPM through the Board of Directors. The process for calling the meetings of Board of Directors is established within the internal regulations.

20	<p>Supposition: If the issuer has internal regulations on the Procedures of the Assembly of Shareholders, answer the question yes or no; if not answer N/A.</p> <p>Question: Do the Internal Regulations on the Procedures of the General Assembly of Shareholders include provisions which concern the holding of the Assembly? (Standard 11)</p>	Shareholder rights and equal treatment	11	Yes	<p>According to the instructions for this survey, given that EPM does not have a General Assembly of Shareholders, the response is given with respect to the body that performs its functions. In this case, in respect of the relationship with the owner, which is regulated by the Relationship Framework Agreement Municipio de Medellin - EPM. This public document has been valid since the year 2007.</p> <p>Within this Agreement it is established that the owner will communicate with EPM through the Board of Directors. The process for holding meetings of the Board of Directors is established within the internal regulations.</p>
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## II. BOARD OF DIRECTORS

21	Is the Board of Directors of the issuer made up of an odd number of members sufficient for the adequate performance of its functions? (Standard 12)	Size, Composition and Procedure	12	Yes	Nine (9) members, according to the provisions of article 7 of the company's Articles of Incorporation.
22	Does the Board of Directors of the issuer meet at least once a month? (Standard 13)	Size, Composition and Procedure	13	Yes	In agreement with paragraph 2.1 of the Internal Regulations of the Board of Directors contained in Decree 284 of 2010, the Board of Directors meets ordinarily in the dates scheduled for each month. During the year 2013, 17 sessions were held, 15 of which were attended in person.

23	Does the Board of Directors have Internal Regulations on its Procedure? (Standard 14)	Size, Composition and Procedure	14	Yes	The Board of Directors has internal regulations on its procedure, which form part of the Corporate Governance Code and were modified for the last time in September 2010, by Decree 284 of 2010 from the Board of Directors.
24	If the issuer possesses internal regulations on the Procedure of the Board of Directors, answer the question; if not, answer N/A. Question: Were all of the issuer's shareholders informed of the Internal Regulations on the Procedure of the Board of Directors? (Standard 14)	Size, Composition and Procedure	14	Yes	The Board of Directors is presided over by the Mayor of Medellin, who is the representative of the municipality and the sole owner of the Company. The Regulations were adopted by the same Board of Directors.
25	If the issuer possesses internal regulations on the Procedure of the Board of Directors, answer the question; if not, answer N/A. Question: Do the Internal Regulations on the Procedure of the Board of Directors have the same binding character for all board members? (Standard 14)	Size, Composition and Procedure	14	Yes	Through the Internal Regulations of the Board of Directors of Empresas Públicas de Medellín E.S.P., the rules are established which govern the procedure of this associated body, with the goal of improving the efficiency and effectiveness of the same, and ensuring objective and responsible decision-making. Its rules are obligatory both for its members as well as for the Company Management and its officials, in terms of the preparation and presentation of information.

26	<p>Supposition: If the issuer has internal regulations on the Procedure of the Board of Directors, answer the question; if not, answer N/A.</p> <p>Question: Do the Internal Regulations on the Procedure of the Board of Directors stipulate the information that should be put at the disposal of the members of the Board of Directors appointed for the first time, and, in general, do they include the suggestions made at Standard 18? (Standard 14)</p>	Size, Composition and Procedure	14	Yes	<p>The Internal Regulations of the Board of Directors of Empresas Públicas de Medellín E.S.P establish that when a new member of the Board of Directors is incorporated, the Management will provide the necessary information for the new member to acquire the knowledge specific to the Company and the activities it performs.</p>
27	<p>Supposition: If the issuer possesses internal regulations on the Procedure of the Board of Directors, answer the question; if not, answer N/A. Question: Do the internal regulations of the Board specify that in the official minutes of the meetings, the reasons that serve as a basis for decision-making are identified, as well as the reasons for any agreement or disagreement taken into consideration in the decision-making process, and, in general, do they include the suggestions made at Standard 19? (Standard 14)</p>	Size, Composition and Procedure	14	Yes	<p>The Regulations of the Board of Directors indicate the procedure and character of the minutes and annexes of the Board of Directors meetings.</p>

28	<p>Supposition: If the issuer possesses internal regulations on the Procedure of the Board of Directors, answer the question; if not, answer N/A.</p> <p>Question: Do the internal regulations of the Board specify the period in advance of the Board of Directors meeting within which the information will be presented to the members, and, in general, do they include the suggestions made at Standard 20? (Standard 14)</p>	Size, Composition and Procedure	14	Yes	According to paragraph 6.6 of the Board Regulations, the information required for the following meeting and the corresponding agenda should be sent to the members with a minimum of five (5) days notice.
29	<p>Supposition: If the issuer possesses internal regulations on the Procedure of the Board of Directors, answer the question; if not, answer N/A.</p> <p>Question: Is the notice period in advance of the meeting within which the information is presented to the board members, as stipulated in the Internal Regulations on Procedure, less than two (2) days? (Standard 20)</p>	Size, Composition and Procedure	20	No	In accordance with paragraph 6.6 of the Internal Regulations of the Board of Directors, the period established for the information to be sent to the board members is at least five (5) days before the meeting.

30	<p>Supposition: If the issuer possesses internal regulations on the Procedure of the Board of Directors, answer the question; if not, answer N/A. Question: Do the Internal Regulations on the Procedure of the Board of Directors establish the means by which members of the Board of Directors will be able to receive the information presented to them before the meeting? (Standard 20)</p>	Size, Composition and Procedure	20	Yes	The Internal Regulations of the Board indicate the means that are used to do this at paragraph 6, "Provision of information before Board meetings".
31	<p>Supposition: If the issuer possesses internal regulations on the Procedure of the Board of Directors, answer the question; if not, answer N/A. Question: Do the Internal Regulations on the Procedure of the Board of Directors allow the Board, at the request of any one of its members, to contract an external advisor to provide the opinions and considerations required for the adoption of specific decisions? (Standard 22)</p>	Size, Composition and Procedure	22	Yes	Paragraph 10 of the Board's Internal Regulations establishes that: "the Board may request, when it sees fit, the contracting of independent external advisors in respect of specific operations". EPM assigns an annual Budget for the contracting of said advisors.

32	<p>Supposition: If the issuer possesses internal regulations on the Procedure of the Board of Directors, answer the question; if not, answer N/A.  Question: Do the Internal Regulations on the Procedure of the Board of Directors allow the Board, at the request of any one of its members, to contract an external advisor to provide the opinions and considerations required for the adoption of specific decisions? (Standard 22)</p>	Size, Composition and Procedure	22	Yes	Paragraph 10 of the Board’s Internal Regulations establishes that: “the Board may request, when it sees fit, the contracting of independent external advisors in respect of specific operations”. EPM assigns an annual Budget for the contracting of said advisors.
33	<p>When appointing a member of the Board of Directors, does the issuer ensure that the prospective member fulfills the requirements of professional direction, educational formation and experience for the optimum performance of his/her functions? (Standard 15)</p>	Size, Composition and Procedure	15	Yes	In conformity with the provisions of Chapter 3 paragraph 3.3 of the Code of Corporate Governance, and the specifications of the Relationship Framework Agreement with the municipality of Medellin, the Mayor should take into account certain criteria when appointing the members of the Board of Directors.
34	<p>Are the majority of the members of the Board of Directors, or the body that performs its functions, independent? (Standard 16)</p>	Size, Composition and Procedure	16	Yes	In accordance with the paragraph 1 of the Internal Regulations of the Board of Directors, of the nine (9) members of the Board of Directors, five (5) of them should act as independent members. At the close of the year 2013, the Board of Directors included seven (7) independent members.

35	Do the members of the Board of Directors disclose the existence of direct or indirect relationships that they maintain with any interest group, which may lead to situations of conflict of interests, or which may influence the direction of their opinion or vote? (Standard 17)	Duties and rights of the member of the Board of Directors	17	Yes	This is an obligation in respect of the acts and management of the members of the Board of Directors, included in the Code of Corporate Governance, paragraph 3.6.2, "Functions and obligations of the Board of Directors", and paragraph 11 of the Internal Regulations of the Board.
36	Does the issuer provide members of the Board of Directors appointed for the first time with the information necessary for the new member to have a specific understanding of the issuer and of the sector in which it operates? (Standard 18)	Duties and rights of the member of the Board of Directors	18	Yes	The process is carried out through an induction program, which includes information about the company, its activities and the public utilities sector.
37	Does the issuer provide members of the Board of Directors appointed for the first time with the information concerning the responsibilities, obligations and powers of the position? (Standard 18)	Duties and rights of the member of the Board of Directors	18	Yes	The induction program described in the previous question includes this aspect.
38	Do the minutes of the Board of Directors meetings identify the studies, reasons and other sources of information that serve as the basis for decision-making? (Standard 19)	Duties and rights of the member of the Board of Directors	19	Yes	The minutes of the Board of Directors meetings identify this information.



39	Do the minutes of the Board of Directors meetings include the reasons for any agreement and disagreement taken into consideration when making the decisions? (Standard 19)	Duties and rights of the member of the Board of Directors	19	Yes	The minutes of the Board of Directors meetings include these considerations.
40	Does the issuer put at the disposal of the members of the Board of Directors, with at least two (2) days notice in advance, the information that is relevant for decision-making, in accordance with the agenda contained in the Call to Assembly? (Standard 20)	Duties and rights of the member of the Board of Directors	20	Yes	The information about the topics of discussion is sent at least five (5) days in advance of the meeting.
41	Supposition: If the issuer's board of directors relies upon substitute members, answer the question, if not answer N/A. Question: Does the issuer have mechanisms which permit the Substitute Members to keep themselves adequately informed of the topics under consideration by the Board of Directors, in such a way that when they replace one of the principal members, they possess the necessary knowledge to perform this task? (Standard 21)	Duties and rights of the member of the Board of Directors	21	N/A	The Board of Directors does not rely on substitute members.

42	<p>Question: Does the issuer have a budgetary item which allows for the potential contracting of an external advisor, on behalf of the Board of Directors, at the request of any of its members, to provide the opinions and considerations required for the adoption of specific decisions? (Standard 22)</p>	Duties and rights of the member of the Board of Directors	22	Yes	<p>EPM, as an industrial and commercial company of the State of a municipal character, is subject to the budgetary rules that govern public entities. For this reason, all contracting processes have to have budgetary certification and registration; additionally, the company has the necessary resources in the event that the Board of Directors decides that it is necessary to contract an external advisor.</p>
43	<p>Supposition: If there exists a permanent committee, different from the one that is legally required, which has as its function, among others, to support the Board of Directors in areas such as appointments and remunerations, answer the question; if not answer N/A.  Question: Is the committee of Appointments and Remuneration composed of at least one member of the Board of Directors? (Standard 23)</p>	Support committees	23	Yes	<p>The Board of Directors relies on the Management Committee, which is aware of and assists in the work of the Board of Directors in relation to, among other topics, the modification of the administrative structure and the compensation structure and salary assignments; the Committee is made up of four (3) [sic] members of the Board.</p>

44	<p>Supposition: If there exists a permanent committee, different from the one that is legally required, which has as its function, among others, to support the Board of Directors in areas such as appointments and remunerations, answer the question; if not answer N/A.</p> <p>Question: Does the committee of Appointments and Remuneration support the Board of Directors in the performance review of upper management, understood to mean the President and the officials of the next lower rank? (Standard 24)</p>	Support committees	24	Yes	<p>The Board of Directors relies on the Management Committee, which has knowledge of and advises the Board of Directors in relation to, among other topics, the modification of the administrative structure and the compensation structure and salary assignments; the Committee is made up of four (3) [sic] members of the Board.</p>
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45	<p>Supposition: If there exists a permanent committee, different from the one that is legally required, which has as its function, among others, to support the Board of Directors in areas such as appointments and remunerations, answer the question; if not answer N/A. Question: Does the committee of Appointments and Remuneration propose a payment and salary policy for the employees of the issuer, including upper management? (Standard 24)</p>	Support committees	24	Yes	<p>The Board of Directors of EPM has among its functions: “To establish the general policies related to the salaries of personnel of EMPRESAS PÚBLICA DE MEDELLÍN E.S.P., to approve, reject or modify the general rules that govern the employment, <u>the compensation structure, the salary scales and the administration of personnel</u>, prepared and presented for the consideration of the General Manager, in conformity with the current rules.” For the exercise of this function it relies on the support of the Management Committee.</p>
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46	<p>Supposition: If there exists a permanent committee, different from the one that is legally required, which has as its function, among others, to support the Board of Directors in areas such as appointments and remunerations, answer the question; if not answer N/A.</p> <p>Question: Does the committee of Appointments and Remuneration propose the appointment, remuneration and removal of the President of the Company or the official who performs those duties? (Standard 24)</p>	Support committees	24	Yes	<p>As part of the functions of the Management Committee, and in fulfilling the function of approving or rejecting the accounts that the General Manager must turn in, on an annual basis, established within the EPM Articles of Incorporation for the Board of Directors, this associate body performs an annual review of the General Manager, which makes recommendations with an emphasis on management and changes in priorities, and can make recommendations in respect of the continuation or removal of the General Manager. In all cases, in conformity with the Political Constitution of Colombia and the Articles of Incorporation of the company, the appointment and removal of the General Manager is under the purview of the Mayor of Medellin, who also functions as the President of the Board of Directors of EPM</p>
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47	<p>Supposition: If there exists a permanent committee, different from the one that is legally required, which has as its function, among others, to support the Board of Directors in areas such as appointments and remunerations, answer the question; if not answer N/A.</p> <p>Question: Does the committee of Appointments and Remuneration propose the objective criteria by which the issuer hires the principal executives? (Standard 24)</p>	Support committees	24	Yes	<p>The Company relies on a description of required and established competencies and functions for every position, including its principal executives. The Management Committee of the Board ensures the fulfillment of this internal regulation and proposes the adjustments that it considers pertinent.</p>
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48	<p>Supposition: If there exists a permanent committee, different from the one that is legally required, which has as its function, among others, to support the Board of Directors in areas such as corporate governance, answer the question; if not answer N/A. Question: Is the committee of Corporate Governance composed of at least one member of the Board of Directors? (Standard 23)</p>	Support committees	23	Yes	<p>The Board of Directors relies upon the Committee of Strategy and Business, which has among its functions, "To promote the implementation of Corporate Governance strategies for EPM and subsidiary companies which belong to the EPM Group, and to coordinate activities to strengthen and develop these strategies. In addition, to analyze in detail and recommend to the Board of Directors the Annual Corporate Governance Plan, which is considered by the Board of Directors at the beginning of each financial year. As well as to monitor the progress of the Annual Plan approved by the Board of Directors every three months". This committee is composed of four (4) members of the Board who are independent. One position was vacant at the end of 2012.</p>
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49	<p>Supposition: If there exists a permanent committee, different from the one that is legally required, which has as its function, among others, to support the Board of Directors in areas such as corporate governance, answer the question; if not answer N/A.</p> <p>Question: Does the committee of Corporate Governance endeavor to ensure that the shareholders and the market in general have access in a complete, true and timely manner to the information that the issuer must disclose? (Standard 25)</p>	Support committees	25	Yes	<p>The Auditing Committee has, among its functions, to ensure that the preparation, presentation and disclosure of the company's financial information is carried out according to the law. In addition, the information which is not of a financial nature is disclosed in a timely manner conforming to the current rules.</p>
50	<p>Supposition: If there exists a permanent committee, different from the one that is legally required, which has as its function, among others, to support the Board of Directors in areas such as corporate governance, answer the question; if not answer N/A.</p> <p>Question: Does the committee on Corporate Governance disclose information about the performance of the Auditing Committee? (Standard 25)</p>	Support committees	25	No	<p>It is the same Auditing Committee that is responsible for controlling the corporate governance practices of the company.</p>



51	<p>Supposition: If there exists a permanent committee, different from the one that is legally required, which has as its function, among others, to support the Board of Directors in areas such as corporate governance, answer the question; if not answer N/A. Question: Does the committee of Corporate Governance review and evaluate the way in which the Board of Directors fulfilled their duties during the period? (Standard 25)</p>	Support committees	25	Yes	<p>Annually, the EPM management produces a Corporate Governance Report (as part of the Sustainability Report) that is given to the Management Committee for consideration. Within this report is an evaluation of the Board of Director's performance during the period, based on the process of annual self-evaluation performed under paragraph 12 of the Board's Internal Regulations.</p>
52	<p>Supposition: If there exists a permanent committee, different from the one that is legally required, which has as its function, among others, to support the Board of Directors in areas such as corporate governance, answer the question; if not answer N/A. Question: Does the committee of Corporate Governance monitor the business activities carried out by Board members with shares issued by the company or by other companies in the same group? (Standard 25)</p>	Support committees	25	Yes	<p>Although EPM is not a corporation with shares, meaning that board members cannot carry out business operations with them, the company enforces a policy of ineligibility and incompatibility, including for the Board Members, so that in their actions, with respect to EPM, they do not find themselves in a conflict of interests in accordance with the current laws on this subject in Colombia.</p>

53	<p>Supposition: If there exists a permanent committee, different from the one that is legally required, which has as its function, among others, to support the Board of Directors in areas such as corporate governance, answer the question; if not answer N/A.</p> <p>Question: Does the committee of Corporate Governance supervise the fulfillment of the management remuneration policy? (Standard 25)</p>	Support Committees	25	Yes	<p>The EPM Board of Directors has among its functions: “To establish the general policies related to the salaries of personnel of EMPRESAS PÚBLICA DE MEDELLÍN E.S.P., to approve, reject or modify the general rules that govern the employment, <u>the compensation structure, the salary scales and the administration of personnel</u>, prepared and presented for the consideration of the General Manager, in conformity with the current rules.” For the exercise of this function it relies on the support of the Management Committee.</p>
54	<p>In addition to the functions established by law or by the Articles of Incorporation, does the Auditing Committee, through the production of a written report, make conclusions on the possible operations which are being planned with economically related parties? (Standard 26)</p>	Support Committees	26	Yes	<p>This matter is handled by the board’s Strategy Committee, which deals with issues related to the operations required to carry out the Business Group’s strategy. These operations are also disclosed to the market within the procedures established by the applicable regulations and are published within the Annual Report on Corporate Governance.</p>

55	In addition to the functions established by law or by the Articles of Incorporation, does the Auditing Committee verify that the possible operations that are being planned with economically related parties are realized under market conditions and do not infringe on the equality of treatment among shareholders? (Standard 26)	Support Committees	26	Yes	This matter is handled by the board's Strategy Committee, which deals with issues related to the operations required to carry out the Business Group's strategy. These operations are also disclosed to the market within the procedures established by the applicable regulations and are published within the Annual Report on Corporate Governance. In all cases, it is sought to ensure that these operations correspond to market conditions. As well as this, the covenants existing in the debt instruments make it obligatory to carry out operations with economically related parties in market conditions.
56	In addition to the functions established by law or by the Articles of Incorporation, does the Auditing Committee establish the policies, criteria and practices that the issuer will use in the composition, disclosure and dissemination of its financial information? (Standard 26)	Support Committees	25	Yes	The Auditing Committee has an advisory and supervisory role in the process of the preparation, presentation and disclosure of EPM's financial information, which must comply not only with the applicable rules, but also with the best administrative and Corporate Governance practices.

57	In addition to the functions established by law or by the Articles of Incorporation, does the Auditing Committee define mechanisms to consolidate the information from the issuer's managing bodies for the presentation of the information to the Board of Directors? (Standard 26)	Support Committees	26	Yes	The Auditing Committee has within its responsibilities, to permanently monitor the results of internal and external evaluations, as well as the progress made in the fulfillment of the respective improvement plans that are defined in and after these reports. Equally they should report that follow-up to the Board of Directors.
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### III. DISCLOSURE OF FINANCIAL AND NON-FINANCIAL INFORMATION

58	Does the issuer have a help desk or contact information available to their investors that serves as a channel of communication between them? (Standard 27)	Information Requests	27	Yes	EPM has a service office for investors which can be contacted via telephone calling 380 5147 in Medellín, or at the e-mail address investorelations@epm.com.co.
59	When, at the discretion of the issuer, it is considered that the answer to a shareholder could give him/her an advantage, does the issuer guarantee access to that answer to the remaining shareholders in an immediate manner, in accordance with the mechanisms that the issuer has established for that purpose, and in the same economic conditions? (Standard 28)	Information Requests	27	Yes	All shareholder information is published on the web page www.epm.com.co, and is detailed in the quarterly meetings that EPM holds with them, a record of which is also made public on the same web page
60	Can a shareholder group request that a specialized audit be performed? (Standard 29)	Information Requests	29	Yes	Given that EPM has a sole owner, it can request specialized audits through its participation in the Board of Directors.

61	<p>Supposition: In the event that a shareholder group may request the performance of specialized audits, answer the question; otherwise, answer N/A.  Question: Is there a procedure that specifies the minimum share percentage required to request specialized audits? (Standard 30)</p>	Information Requests	30	YES	<p>EPM is an industrial and commercial State company , under municipal control, and for this reason any member of the Board of Directors can propose to the Board of Directors the performance of a specialized audit.</p>
62	<p>Supposition: In the event that a shareholder group may request the performance of specialized audits, answer the question; otherwise answer N/A.  Question: Is there a procedure explaining the reasons why the minimum share percentage necessary to request specialized audits was established? (Standard 30)</p>	Information Requests	30	YES	<p>EPM is a company that does not have its capital represented by shares; it is an industrial and commercial state company under municipal control owned by the Municipality of Medellín. Since the company does not have a plural number of shareholders, its Code of Corporate Governance does not specify a minimum shareholder percentage to request a specialized audit. It is worth noting that any member of the Board of Directors can propose the performance of a specialized audit.</p>

63	<p>Supposition: In the event that a shareholder group may request the performance of specialized audits, answer the question; otherwise, answer N/A.  Question: Is there a procedure that specifies the requirements for specialized audit requests?</p>	Information Requests	30	YES	<p>Given that the company does not have a plural number of shareholders, it is not required to complete a previous procedure to propose the performance of a specialized audit. Any member of the Board of Directors can propose the performance of a specialized audit.</p>
64	<p>Supposition: In the event that a shareholder group may request the performance of specialized audits, answer the question; otherwise, answer N/A.  Question: Is there a procedure that specifies who should carry out the specialized audit and how the person is designated? (Standard 30)</p>	Information Requests	30	YES	<p>Even though there is not a plural number of shareholders, the contracting of an external audit is subject to the contracting rules that govern the entity.</p>
65	<p>Supposition: In the event that a shareholder group may request the performance of specialized audits, answer the question; otherwise, answer N/A.  Question: Is there a procedure that specifies who should assume the costs of the specialized audit? (Standard 30)</p>	Information Requests	30	YES	<p>Even though there is not a plural number of shareholders, any specialized audit contracted by the decision of the Board of Directors is paid directly by the company.</p>

66	<p>Supposition: In the event that a shareholder group may request the performance of specialized audits, answer the question; otherwise, answer N/A.</p> <p>Question: Are the deadlines foreseen for each one of the stages or steps of the procedure relating to the contracting of the specialized audit accurate? (Standard 30)</p>	Information Requests	30	YES	Even though there is not a plural number of shareholders, the company has a contracting regulation which sets forth the stages of the procedure that is necessary to enter into the contract.
67	<p>Are there mechanisms established by the issuer to disclose to shareholders and other investors the material findings resulting from internal control activities? (Standard 31)</p>	Information to the market	31	YES	EPM discloses the main results of the period on internal control issues through the Annual Report of Corporate Governance, as well as revealing the results of the audits performed in the quarterly financial reports which are given to the investors, in agreement with the provisions of the Corporate Governance Code of the entity.

68	<p>(Standard 32). The issuer discloses to the market the general policies applicable to remuneration and any other economic benefit granted to:</p> <table border="1" data-bbox="281 594 730 732"> <thead> <tr> <th></th> <th>YES</th> <th>NO</th> </tr> </thead> <tbody> <tr> <td>Board members</td> <td>X</td> <td></td> </tr> <tr> <td>Legal Representation</td> <td>X</td> <td></td> </tr> <tr> <td>Fiscal auditor</td> <td>X</td> <td></td> </tr> <tr> <td>External advisors</td> <td>X</td> <td></td> </tr> <tr> <td>External auditors</td> <td>X</td> <td></td> </tr> </tbody> </table>		YES	NO	Board members	X		Legal Representation	X		Fiscal auditor	X		External advisors	X		External auditors	X		Information to the market	32	YES	<p>Remuneration for Board members and senior management is published in the Annual Report of Corporate Governance which is available to the public at the web page: <a href="http://www.epm.com.co">www.epm.com.co</a> Remuneration for the Board members is established by means of a decree issued by the Mayor of Medellín, which is published in the manner foreseen for that type of norm. The current Decree is 1165 of 2009, issued and published on August 12, 2009. Equally, practices related to the remuneration of the Legal Representation and the External Auditor will be published in the annual report on Corporate Governance corresponding to the period of 2013.</p>
	YES	NO																					
Board members	X																						
Legal Representation	X																						
Fiscal auditor	X																						
External advisors	X																						
External auditors	X																						
69	<p>Does the issuer disclose to the market the contracts concluded with its directors, administrators, main executives and legal representatives, including their relatives, partners and other related parties? (Standard 33)</p>	Information to the market	33	YES	<p>On account of the legal nature of the Company, for any contracting process the disqualifications and incompatibilities established by law are applied; therefore, the proposed situation does not occur.</p>																		



70	Does the issuer disclose to the market its internal rules on conflict resolution? (Standard 34)	Information to the market	34	YES	<p>The company's relationship with the owner (the municipality of Medellín) is regulated, by the Constitution and the laws, as is the relationship of the directors with the company, since they are public servants. Therefore, in relation to the latter there are no internal rules to be disclosed. However, the internal regulations of the Board of Directors established the procedure that any Director should follow in the case of a conflict of interest. The Board's internal regulation is published on the web page of the company.</p>
71	Does the issuer disclose to the market the applicable criteria for the negotiations that its directors, administrators and officials perform with the shares and the other securities issued by them, for example preferential rights? (Standard 35)	Information to the market	35	YES	<p>On account of the legal nature of the Company, for any contracting process the disqualifications and incompatibilities established by law are applied; in addition given that EPM is not a joint-stock company, the situation in question does not occur.</p>

72	Does the issuer disclose to the market the résumées of the members of the Boards of Directors and of the other internal control bodies, and in the absence thereof, of the equivalent bodies, as well as those of the legal representatives, in such a manner that permits knowing their qualifications and experience, with respect to their management capacity of the issues that they are required to handle? (Standard 36)	Information to the market	36	YES	Such information is on the company's web page <a href="http://www.epm.com.co">www.epm.com.co</a> , in the Investors section.
73	Did the issuer designate as fiscal auditor individuals or firms that have received income from the company and/or its economically related parties, representing 25% or more of their last annual income? (Standard 37)	Fiscal Auditor	37	NO	Although on account of the legal nature of the company, designating a fiscal auditor is not a requirement, by virtue of Article 51 of Law 142 of 1994 and as a good practice of Corporate Governance, EPM designates an external auditor, which guarantees the integrity and veracity of the Company's financial information. The percentage expressed in this question is taken into account when making this choice.
74	Does the issuer or its economically related parties contract the Fiscal Auditor for services other than the audit? (Standard 38)	Fiscal Auditor	38	No	Although on account of the legal nature of the company, designating a fiscal auditor is not a requirement, by virtue of Article 51 of Law 142 of 1994 and as a good practice of Corporate Governance, EPM designates an external auditor, which guarantees the integrity and veracity of the Company's financial information. The percentage expressed in this question is taken into account when making this choice.

75	Do the issuer's contracts with the fiscal auditor establish clauses for the rotation of the individuals that perform the auditing function every five (5) years? (Standard 39)	Fiscal Auditor	39	Yes	EPM's internal rules are even stricter on this subject, contemplating a maximum period of three (3) years, not renewable or extendable for the choice of external auditor.
76	Does the issuer require the fiscal auditor to make the person who has rotated wait at least two (2) years to become the auditor again for the same company? (Standard 39)	Fiscal Auditor	39	Yes	The internal rules do not regulate this measure, given that the internal requirements on this subject are higher than what is recommended in this point. See answer to question 75

#### IV. DISPUTE RESOLUTION

77	Does the issuer adopt the necessary measures to inform its shareholder of the legal procedures available to them to enforce the protection of their rights before the Financial Superintendence of Colombia? (Standard 40)	Dispute Resolution	40	YES	Given that there is not a plural number of shareholders, this procedure is not necessary.
78	Has the issuer adopted direct settlement as the method for the resolution of conflicts that arise between the issuer and the shareholders, between the shareholders and the administrators, and among shareholders? (Standard 41)	Dispute Resolution	41	YES	Given that there is not a plural number of shareholders, this procedure is not necessary.

79	Has the issuer provided an alternate form of resolution for the conflicts that arise between the issuer and the shareholders, between the shareholders and the administrators, and among shareholders? (Standard 41)	Dispute Resolution	41	YES	Given that there is not a plural number of shareholders, this procedure is not necessary.
Optional Question					

80	<p>If corporate governance practices in addition to those recommended by the Code of Best Corporate Practices are being used, this section provides the option for the issuer to make them known.</p>	Optional Question		<p>Empresas Públicas de Medellín E.S.P. relies on the following additional means of Corporate Governance:</p> <ol style="list-style-type: none"> <li>1. Framework Agreement on Relationships with the Municipality of Medellín - Public Businesses of Medellín with the Municipality or “Governance Agreement”, agreement outlining the relationships between both entities, signed in April 2007.</li> <li>2. Auditing Committee Regulations (Decree 217 of 2006 of the Board of Directors).</li> <li>3. Internal Statute of Corporate Governance (Decree 179 of 2002, of the Board of Directors).</li> <li>4. Code of Corporate Governance updated in October, 2007.</li> <li>5. Regulations of the Board of Directors, approved on October 1, 2007, as amended by Decree 259 from 2008, of the Board of Directors.</li> <li>6. Annual Reports of Corporate Governance (2007, 2008, 2009, 2010, 2011 and 2012)</li> <li>7. Annual external evaluation of the Corporate Governance plan approved by the Board of Directors (2006, 2007, 2008, 2009, 2010, 2011)</li> <li>8. Follow-up of the fulfillment of the Corporate Governance plan by the Auditing Committee.</li> <li>9. Periodic meetings with Investors.</li> <li>10. Creation of the Corporate Governance Committee in EMP, Decree 1729 dated September 3, 2009.</li> <li>11. Self-evaluations of the members of the Board of Directors and results of its annual strengthening workshop.</li> <li>12. Creation of the support committees of the Board of Directors: Strategy, Management and Project Follow-up; as well as the modification of the Auditing committee.</li> </ol>
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