

COLOMBIAN FINANCIAL SUPERINTENDENCE

Appendix 1

CÓDIGO PAÍS SURVEY. BEST CORPORATE PRACTICES CODE - COLOMBIA

Name of the Issuer: ISAGEN S.A. E.S.P.
Tax ID No. of the Issuer: 811 000 740-4
Name of the Legal Representative: Luis Fernando Rico Pinzón
Identification No.: 19.304.857 issued in Bogotá
Period evaluated: 2010
Type of Entity: E4010 Generation, intake and distribution of electrical energy
Entity code assigned by the Colombian Financial Superintendence (SFC): 260042

I. GENERAL STOCKHOLDERS' MEETING

Announcement of the Meeting

Question 1

	YES	NO
Question: At the last General Stockholders' Meeting, was the documentation about the topics to be discussed made available at the headquarters and within the term set forth in the announcement? (Measurement 1)	X	
<p>Explanation*:</p> <p>According to Article 19 of the Company's Bylaws, General Stockholders' Meetings and Announcements, <i>announcements will be made by publishing a notification in a national newspaper at least fifteen (15) business days in advance when a year-end balance sheet is to be discussed; in all other cases, five (5) calendar days' notice shall be given.</i></p> <p>At Board Meeting No. 190 on January 28, 2010, the date, time, place and agenda for the General Stockholders' Meeting was established to be held on March 24, 2010 at 10:00 AM at the Plaza Mayor facility in the city of Medellín.</p> <p>The respective Notice was given by publishing the first notification in the newspapers El Tiempo and El Colombiano on February 28, 2010, with a reminder on March 14, 2010.</p> <p>The notice was published within the fifteen days provided for in the Company Bylaws for ordinary meetings.</p>		

* This model requires a specific pronouncement as regards the recommendations adopted from the Código País survey and allows organizations to voluntarily add any other information, explanation or method related to its corporate governance practices that may be relevant for understanding the responses; therefore, the space provided for explaining these recommendations is unlimited.

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The information relevant for the Stockholders' Meeting (agenda and relevant information regarding the topics to be discussed) was made available to the stockholders at least 15 business days in advance at the Stockholder Service Office, regional offices, and on the website www.isagen.com.co.

In addition, the information was available at the Stockholder Service Office at the Company Headquarters and at the regional offices for reference prior to the meeting.

Question 2

	YES	NO
<p>Question: Does the information made available to Stockholders during the term of the Announcement of the General Stockholders' Meeting contain the list of candidates to the Board of Directors? (Measurement 2)</p>	X	
<p>Explanation*:</p> <p>Chapter 5 of the Good Governance Code - <i>The Company and its Governance - Information Provided for the Meeting</i> states that ISAGEN shall make the following information available to Stockholders at the company headquarters and on its website (www.isagen.com.co) in the "Stockholder Information" section following the announcement of the General Meeting:</p> <ul style="list-style-type: none"> • <i>Notifications for the General Stockholders' Meeting.</i> • <i>The list of candidates to the Board of Directors when proposed by the Stockholders following the announcement of the General Stockholders' Meeting, provided that the candidates meet the specifications established in Article 27 - Board of Directors of the Company Bylaws and this Code.</i> • <i>The documents necessary to duly inform the Stockholders about the General Meeting to be held.</i> <p>As regards the General Stockholders' Meeting held on March 24, 2009, the information made available to Stockholders included the list of candidates for the Board of Directors, as required. The Board was elected for a 2-year term; therefore, the Announcement of the General Stockholders' Meeting to be held in 2010 did not include a list of candidates.</p>		

Question 3

	YES	NO	N/A
<p>Scenario: If the issuer is linked to a parent company and/or subsidiaries, answer the question; otherwise, answer N/A.</p> <p>Question: Did the issuer make the financial information about the issuer's subsidiaries and parent company available to Stockholders? (Measurement 2)</p>			X

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Explanation*:

ISAGEN does not have parent or subsidiary companies.

Question 4

	YES	NO	N/A
<p>Scenario: If the issuer has a website, answer the question; otherwise, answer N/A.</p> <p>Question: Was the announcement of the last General Stockholders' Meeting and any necessary information posted on the issuer's website? (Measurement 3)</p>	X		
<p>Explanation*:</p> <p>Both the announcement of the General Stockholders' Meeting held on March 24, 2010 and the documents relating to the agenda were posted for reference on the Company website, www.isagen.com.co.</p>			

Question 5

	YES	NO
<p>Question: Were the different issues broken down to be discussed in the agenda established for the Stockholders' Meetings held during the period evaluated? (Measurement 4)</p>	X	
<p>Explanation*:</p> <p>The agenda for the General Stockholders' Meeting held on March 24, 2010 consisted of the following points:</p> <ol style="list-style-type: none"> 1. Verification of Quorum and approval of the Agenda 2. Election of the President of the Meeting 3. Report by the Secretary of the Meeting on the approval of Minutes No. 28 from March 24, 2009 4. Election of the Committee to approve the Minutes 5. Remarks from the Minister of Mines and Energy 6. Remarks from the Chairman of the Board of Directors and performance report thereof 7. Report on Compliance with Good Corporate Governance Practices 8. Management Report 2009 9. Consideration of the Financial Statements for the year ending on December 31, 2009 10. Reading of the Tax Inspector's Report 11. Approval of the Financial Statements for the year ending on December 31, 2009 and any other documents ordered by Law 12. Profit Distribution Proposal 13. Miscellaneous 		

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The Meeting

Question 6

	YES	NO	N/A
<p>Scenario: If there has been a segregation in the terms of the glossary, answer the question; otherwise, answer N/A.</p> <p>Question: Was the segregation approved at the General Stockholders' Meeting? (Measurement 5)</p>			X
<p>Explanation*:</p> <p>There was no segregation.</p>			

Question 7

	YES	NO	N/A
<p>Scenario: If there has been a segregation in the terms of the glossary, answer the question; otherwise, answer N/A.</p> <p>Question: Was the segregation included in the Announcement of the Meeting during which it was accepted? (Measurement 6)</p>			X
<p>Explanation*:</p> <p>There was no segregation.</p>			

Question 8

	YES	NO	N/A
<p>Scenario: If the issuer's business purpose has been modified, answer the question; otherwise, answer N/A.</p> <p>Question: Was the change in business purpose included in the Announcement of the Meeting during which it was accepted? (Measurement 6)</p>			X
<p>Explanation*:</p> <p>No changes were made to the Company's business purpose in 2010.</p>			

Question 9

	YES	NO	N/A
<p>Scenario: If the right of first refusal for the subscription was waived during the Stockholders' Meeting, answer the question; otherwise, answer N/A.</p> <p>Question: Was the waiver of the right of first refusal for the subscription included in the Announcement of the Meeting during which it was accepted? (Measurement 6)</p>			X

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Explanation*:

Article 11 of the Company Bylaws - Rules for the Subscription of Reserved Shares - Paragraph 2, states: *"The General Stockholders' Meeting can decide whether or not to issue stocks without them being subject to the right of first refusal."*

In 2010, the waiver to the right of first refusal did not have to be included in the Announcement of the Meeting because no new stocks were issued.

Question 10

	YES	NO	N/A
<p>Scenario: If the Stockholders' Meeting has changed its headquarters, answer the question; otherwise, answer N/A. Question: Was the change of headquarters included in the Announcement of the Meeting during which it was accepted? (Measurement 6)</p>			X
<p>Explanation*:</p> <p>There was no change of headquarters.</p>			

Question 11

	YES	NO	N/A
<p>Scenario: If the Stockholders' Meeting has accepted an early liquidation, answer the question; otherwise, answer N/A. Question: Was the early liquidation included in the Announcement of the Meeting during which it was accepted?</p>			X
<p>Explanation*:</p> <p>No early liquidation of the Company has been accepted.</p>			

Question 12

	YES	NO
<p>Question: Does the issuer have electronic mechanisms for those Stockholders who cannot attend the Meeting to access the relevant information? (Measurement 7)</p>	X	
<p>Explanation*:</p> <p>The General Stockholders' Meeting held on March 24, 2010 was broadcast live on the website www.isagen.com.co.</p>		

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Approval of Relevant Operations

Question 13

	YES	NO	N/A
<p>Scenario: If relevant operations have been carried out during the period evaluated with economic associates other than those with whom the following conditions are met:</p> <p>a. They are carried out at market rates established in general by the party acting as the supplier of the good or service involved, and</p> <p>b. They are operations of the issuer's regular course of business that are not material operations,</p> <p>Answer the question; otherwise, answer N/A.</p> <p>Question: Were the relevant operations carried out with economic associates referenced in the scenario, except those that cannot be carried out by the issuer based on legal provisions, approved at the General Stockholders' Meeting? (Measurement 8)</p>	X		
<p>Explanation*:</p> <p>ISAGEN's Good Governance Code states that <i>"operations and relations with Affiliates and Economic Associates for the procurement and sale of goods and services will be carried out as follows:</i></p> <ul style="list-style-type: none"> • <i>Operations fulfill objective criteria.</i> • <i>Operations are carried out according to market conditions.</i> • <i>Operations are executed under the terms and conditions and with the costs usually agreed to by ISAGEN with unrelated third parties."</i> <p>The reform of the Company Bylaws approved at the General Stockholders' Meeting held on April 26, 2007 established the conditions in which this type of operation is carried out and stated that the Board of Directors and the Audit Committee would be responsible for the review thereof on a semiannual basis. In addition, it was established that the Audit Committee would periodically review the criteria based on which said transactions are carried out.</p> <p>Accordingly, at Audit Committee No. 62 from November 25, 2010, the related criteria for negotiating with affiliates and economic associates were submitted for the Committee's review and approval.</p> <p>In compliance with the established provisions, the CEO provided the Board of Directors with a report on operations with affiliates and economic associates on a semiannual basis, following review by the Audit Committee. In August 2010, the Audit Committee reviewed the report corresponding to the first half of the year; and in February 2011, the report corresponding to the second half of 2010 was reviewed.</p>			

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Stockholders' Rights and Fair Treatment

Question 14

	YES	NO
Question: Does the issuer inform the public about the rights and obligations inherent to Stockholders in a clear, accurate and complete manner? (Measurement 9)	X	
<p>Explanation*:</p> <p>Stockholders' rights and obligations have been defined in Articles 15 and 16 of the Company Bylaws and in Chapter 4 - Fair Treatment of Stockholders - of the Good Governance Code.</p> <p>Both documents are available for reference on the Company website www.isagen.com.co in the "Stockholders and Investors / Corporate Governance" section.</p> <p>In addition to the rights contained in Article 379 of the Business Code, the Stockholders' rights will include:</p> <ol style="list-style-type: none">1. Requesting and receiving material information in order to make decisions regarding their investment.2. Stockholders representing at least ten percent (10%) of the Company's subscribed shares may request, at their own expense and responsibility, a specialized audit of the Company's financial statements.3. Exercising their rights to file claims and request information.4. Demanding the Board of Directors to comply with the Good Governance Code.5. Calling for a General Stockholders' Meeting when requested by multiple Company Stockholders representing at least ten percent (10%) of the total subscribed shares.6. Freely trading shares.7. Participating in the Company's profit distribution.8. Participating and voting in the Ordinary and Special Stockholders' Meetings, acting on their own behalf or represented by their proxies or legal representatives.9. Reviewing the reports and proposals submitted by the Board of Directors.10. Participating in the election of Board members and the Tax Inspector at the General Stockholders' Meeting.11. Submitting proposals to the Board of Directors pursuant to Article 40 of Law 964 of 2005. <p>In addition to those established by Law, the Stockholders' obligations include:</p> <ol style="list-style-type: none">1. Acting loyally to the Company.2. Abstaining from disclosing company information or information relating thereto, learned while exercising rights, to third parties, or using it for their own or another's benefit, other than the benefits resulting from the rights inherent to their capacity as stockholders.3. Responding to any requests for information from the Company in a timely manner.		

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In addition, the Stockholders / Investors link on the website contains historical and current information for Stockholders. "Stockholders' Bulletins" are published here. Issue No. 6 (November 2010) specifically reminded Stockholders about one of their rights, to the effect that *"Any number of stockholders in a publicly traded company, who hold a quantity of stocks not greater than ten percent (10%) of the stocks in circulation and who are not represented within a company's management may seek recourse with the Stock Superintendence when he or she feels that his or her rights have been directly or indirectly violated by the decisions of the General Stockholder's Meeting, the Board of Directors or the legal representatives of the company."*

Question 15

	YES	NO
Question: Does the issuer notify the public the classes of stock issued on a continuous basis? (Measurement 10)	X	
<p>Explanation*:</p> <p>This information has been included in Article 8 of the Company Bylaws - Stock Characteristics - available for reference on the Company website www.isagen.com.co in the "Institutional Information / Corporate Governance" section.</p>		

Question 16

	YES	NO
Question: Does the issuer notify the public the number of stocks issued on a continuous basis? (Measurement 10)	X	
<p>Explanation*:</p> <p>This provision has been included in Chapter 7 of the Good Governance Code - Disclosure of Information, and Article 6 of the Company Bylaws - Authorized Capital. Both documents are available on the Company website www.isagen.com.co.</p> <p>In addition, the shareholder structure and the list of the top 20 Stockholders are also available on the Company website www.isagen.com.co in the "Our Company / Who We Are / Shareholder Structure" section.</p>		

Question 17

	YES	NO
Question: Does the issuer notify the public the number of reserved shares for each class of stock on a continuous basis? (Measurement 10)	X	

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Explanation*:

At present, the Company does not have any reserved shares, but when it does, it will give notice as required.

Question 18

	YES	NO
Question: Does the issuer have internal rules of procedure for General Stockholders' Meetings? (Measurement 11)	X	

Explanation*:

The Meeting Regulations in force were approved at the Special Meeting held on November 26, 2007, and they are available on the Company website www.isagen.com.co in the "Our Company / Corporate Governance" section.

The regulations complement the statutory provisions governing the Company's General Stockholders' Meeting as regards their announcement and development. The purpose of these regulations is to facilitate discussion and decision-making within a framework of respect and participation.

Question 19

	YES	NO	N/A
Scenario: If the issuer has rules of procedure for Stockholders' Meetings, answer the question; otherwise, answer N/A. Question: Do the Rules of Procedure for General Stockholders' Meetings include measures about the Announcement thereof? (Measurement 11)	X		

Explanation*:

Article 2 of the Meeting Regulations establishes the measures related to the announcement of meetings, including:

- Advance notice
- Content of the announcement
- Form of the announcement and information
- Authorization to attend the Meeting
- Powers of attorney

Question 20

	YES	NO	N/A
Scenario: If the issuer has rules of procedure for	X		

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Stockholders' Meetings, answer yes or no; otherwise, answer N/A. Question: Do the Rules of Procedure for General Stockholders' Meetings include measures about the actual Meeting? (Measurement 11)			
Explanation*: Article 3 of the Meeting Regulations establishes the measures related to meetings, including: <ul style="list-style-type: none"> • Participants • The Board • Committees <ul style="list-style-type: none"> ○ Committee to review and approve the minutes ○ Elections and vote-counting committee ○ Proposal and recommendation committee • Voting • Interventions • Behavior 			

II. BOARD OF DIRECTORS

Size, Composition and Operation

Question 21

	YES	NO
Question: Is the issuer's Board of Directors made up of an odd number of members in a sufficient quantity for the proper performance of their functions? (Measurement 12)	X	
Explanation*: The composition of the Board of Directors has been defined in Article 27 of the Company Bylaws - Board of Directors, in Chapter 5 of the Good Governance Code - The Company and its Governance, and Article 2 of Board of Directors Agreement No. 098 - Composition. According to the previous provisions, the Board of Directors is made up of seven (7) primary members and seven (7) alternates, which is sufficient to ensure the proper performance of its functions.		

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Question 22

	YES	NO
Question: Does the issuer's Board of Directors meet at least once per month? (Measurement 13)	X	
<p>Explanation*: The Board of Directors meets on a monthly basis, which can be verified in the minutes of the respective meetings. In 2010, 12 Board Meetings were held.</p> <p>This frequency has been defined in Article 30 of the Company Bylaws - Announcement, Information and Board Meetings: The Board of Directors will hold regular meetings at least once per month, on the date and time indicated by the Board or pursuant to the needs of the Company.</p> <p>In addition, Article 6 of the Board Agreement establishes the provisions related to regular monthly meetings.</p> <p>There is also an annual schedule for which the dates of the monthly meetings are determined in advance.</p>		

Question 23

	YES	NO
Question: Does the Board of Directors have Internal Operating Regulations? (Measurement 14)	X	
<p>Explanation*: Board Agreement No. 098 of December 14, 2007 establishes the Regulations of the Board of Directors and the Committees thereof; and it contains the rules for the announcement and the course of the meetings.</p> <ul style="list-style-type: none"> • The Agreement includes the following topics: • Composition • Appointment of members • Member functions • Announcements and information • Regular Meetings • Special Meetings • Teleconference Meetings • Votes • Meeting Venue • Independence • Chairmanship • Assessment • Minutes • Secretary • Functions • Ineligibility and Confidential Information • Quorum and majorities 		

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- Conflicts of Interest
- Advisors to the Board of Directors

Article 30, Paragraph 5 of the Company Bylaws - Announcement, Information and Board Meetings establishes said regulations.

Also, Chapter 5 of the Good Governance Code - The Company and its Governance also refers to said Regulations.

As regards the Board Committees, the following has been defined: definition, types of committees, composition, meetings, secretary and minutes, obligations and responsibilities.

According to the Regulations, the responsibilities of the Audit Committee have been defined in the Audit Committee Bylaws, which were approved by the Board of Directors.

Question 24

	YES	NO	N/A
<p>Scenario: If the issuer has rules of procedure for the Board of Directors, answer the question; otherwise, answer N/A. Question: Were all the issuer's Stockholders notified of the Rules of Procedure for the Board of Directors? (Measurement 14)</p>	X		
<p>Explanation*:</p> <p>The Stockholders were notified of the Board Agreement through the Company website www.isagen.com.co, "Our Company / Corporate Governance" section, where it is available at all times.</p>			

Question 25

	YES	NO	N/A
<p>Scenario: If the issuer has Rules of Procedure for the Board of Directors, answer the question; otherwise, answer N/A. Question: Are the Rules of Procedure for the Board of Directors binding for all the members thereof? (Measurement 14)</p>	X		
<p>Explanation*:</p> <p>The Board Agreement is binding for all its members because its creation and modifications have been approved by the Board of Directors pursuant to the procedure, the quorum and the majorities that have been established for this purpose.</p>			

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Question 26

	YES	NO	N/A
<p>Scenario: If the issuer has Rules of Procedure for the Board of Directors, answer the question; otherwise, answer N/A.</p> <p>Question: Do the Rules of Procedure for the Board of Directors cover the information that is to be made available to the Board members appointed for the first time and, in general, that which is suggested in Measurement 18? (Measurement 14)</p>	X		
<p>Explanation*:</p> <p>Article 5 of Board Agreement No. 098 - Announcement and Information, states that: <i>"Whenever a Board member is appointed for the first time, sufficient information shall be made available in order for him or her to become familiar with the specifics of the company and the sector."</i></p> <p>Similarly, the section about information for decision-making in Chapter 5 of the Good Governance Code - the Company and its Governance, states that: <i>"When a member of the Board of Directors is named for the first time, ISAGEN will provide him or her with Company information, as well as the obligations, responsibilities and powers inherent to members of the Board of Directors."</i></p> <p>ISAGEN's current Board of Directors was elected during the Stockholders' Meeting held on March 24, 2009. The body consists of seven primary members and their personal alternates, five of which (primary and alternate members) [sic]. According to the Company bylaws, this Board's term lasts two years, from April 2009 to March 2011. In 2009, when the current Board was elected, the new members were given information and an orientation about the company, their responsibilities and the sector, among other topics.</p> <p>As a result of the change in Administration following the national elections in 2010, the board members representing the Ministry of Finance and Public Credit (Ms. Gloria Inés Cortés Arango, Primary, and Ms. Viviana Lara Castilla, Alternate) and the Ministry of Mines and Energy (Mr. Hernán Martínez Torres, Primary and Ms. Silvana Giamo Chavéz, Alternate) were replaced in the month of August.</p> <p>The succeeding Board Members were Mr. William Bruce Macmaster Rojas, Vice Minister of Finance and Public Credit and Mr. Germán Arce Zapata, General Director of Public Credit and the National Treasury, as representatives of the Ministry of Finance and Public Credit (primary and alternate, respectively). For the Ministry of Mines and Energy, new Board Members were Mr. Carlos Enrique Rodado Noriega, Minister of Mines and Energy (primary), and Mr. Tomás González Estrada, Vice Minister of Mines and Energy (alternate). It is important to point out that these seats correspond to ministerial positions and not the people who occupy them.</p> <p>In response, a meeting was held to introduce the Company and its Directors, and provide the information required by the new members in order for them to become</p>			

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familiar with the specifics of the Company and the sector.

In addition, the information relating to Regulation (Bylaws, Agreements, Board Regulations and Good Governance Code) is always available on the website for the personal access of Board members.

Question 27

	YES	NO	N/A
<p>Scenario: If the issuer has Rules of Procedure for the Board of Directors, answer the question; otherwise, answer N/A.</p> <p>Question: Do the Rules of Procedure for the Board of Directors state that the minutes of the meetings must identify the supporting documents that served as a basis for the decisions made, as well as any arguments for or against them and, in general, the suggestions included in Measurement 19? (Measurement 14)</p>	X		
<p>Explanation*:</p> <p>Board Agreement No. 098 states: <i>"MINUTES: The deliberations and decisions made by the Board shall be recorded in minutes, which will be inserted in chronological order in a book registered with the Chamber of Commerce. Said minutes shall be approved at the meeting or at the following session and signed by the President and the Secretary. The minutes of the Board meetings shall refer to the studies, grounds and any other sources of information that serve as the basis for its decisions, as well as any arguments for and against that were taken into consideration."</i></p> <p>Proof of compliance with this measure can be found in the minutes of the monthly Board meetings, in which a record is made indicating that the information posted on the website beforehand and provided directly at the meeting is an integral part of the Minutes.</p>			

Question 28

	YES	NO	N/A
<p>Scenario: If the issuer has Rules of Procedure for the Board of Directors, answer the question; otherwise, answer N/A.</p> <p>Question: Do the Rules of Procedure for the Board of Directors include the term within which the information shall be submitted to the members prior to the Board meeting and, in general, the recommendations of Measurement 20? (Measurement 14)</p>	X		
<p>Explanation*:</p>			

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Board Agreement No. 098 states: *"ANNOUNCEMENT AND INFORMATION: Notice of Board meetings shall be given at least three (3) days in advance. However, the Board of Directors may meet without giving notice if all its members are attending. The announcement shall include the agenda.*

In order to facilitate decision-making by the members of the Board, provided there has been an announcement of a meeting, the information regarding the decisions to be made at the respective meeting will be made available following the announcement thereof.

Electronic means will be considered valid to provide notice of the meetings, as well as to provide the information discussed in this Article to the Board members."

In practice, the information related to the topics to be discussed at each meeting of the Board of Directors and the Board Committees is posted on the Company website www.isagen.com.co at least three (3) business days prior to the meeting.

In order to access the information, each of the members of the Board and the Committees has a user name and a password to guarantee the security and confidentiality thereof.

Question 29

	YES	NO	N/A
<p>Scenario: If the issuer has Rules of Procedure for the Board of Directors, answer the question; otherwise, answer N/A.</p> <p>Question: Is the term within which the information is to be provided to the Board members and stipulated in the Rules of Procedure less than two (2) days? (Measurement 20)</p>		X	
<p>Explanation*:</p> <p>As mentioned in the response to Question No. 28, Board Agreement No. 098 establishes that notices to the <i>Board of Directors will be given at least three (3) days business days in advance.</i></p> <p>Similarly, in practice, the information related to the topics to be discussed at each meeting of the Board of Directors and the Board Committees is posted on the Company website www.isagen.com.co at least three (3) business days prior to the meeting.</p>			

Question 30

	YES	NO	N/A
<p>Scenario: If the issuer has Rules of Procedure for the Board of Directors, answer the question; otherwise, answer N/A.</p> <p>Question: Do the Rules of Procedure for the Board of Directors establish the means by which the Board members can obtain the information provided prior to the meeting? (Measurement 20)</p>	X		

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Explanation*:

Board Agreement No. 098 states: *"ANNOUNCEMENT AND INFORMATION: Notice of Board meetings shall be given at least three (3) business days in advance. However, the Board of Directors may meet without giving notice if all its members are attending. The announcement shall include the agenda.*

In order to facilitate decision-making by the members of the Board, provided there has been an announcement of a meeting, the information regarding the decisions to be made at the respective meeting will be made available following the announcement thereof.

Electronic means will be considered valid to provide notice of the meetings, as well as to provide the information discussed in this Article to the Board members."

In practice, the information related to the topics to be discussed at each meeting of the Board of Directors and the Board Committees is posted on the Company website www.isagen.com.co at least three (3) business days prior to the meeting.

In order to access the information, each of the members of the Board and the Committees has a user name and a password to guarantee the security and confidentiality thereof.

Question 31

	YES	NO	N/A
<p>Scenario: If the issuer has Rules of Procedure for the Board of Directors, answer the question; otherwise, answer N/A.</p> <p>Question: Do the Rules of Procedure for the Board of Directors consider the possibility that said body, at the request of any member thereof, may hire an external advisor to provide an opinion in order to make certain decisions? (Measurement 22)</p>	X		

Explanation*:

Board Agreement No. 098 states: *"ADVISORS TO THE BOARD OF DIRECTORS: The Board of Directors may hire External Advisors, at the request of its members and through the CEO, in order to provide an expert opinion as required to make certain decisions."*

In 2010, the Board of Directors did not directly require external advisors for decision-making support; however, some of the topics discussed at the Board meetings involved consultants contracted by Management for assistance in business management, including the IFRS Project and Comprehensive Risk Management.

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Question 32

	YES	NO	N/A
<p>Scenario: If the issuer has Rules of Procedure for the Board of Directors, answer the question; otherwise, answer N/A.</p> <p>Question: Do the Rules of Procedure for the Board of Directors include the conditions under which said body, at the request of any member thereof, can hire an external advisor to provide an opinion in order to make certain decisions? (Measurement 22)</p>	X		
<p>Explanation*:</p> <p>Board Agreement No. 098 states: <i>"ADVISORS TO THE BOARD OF DIRECTORS: The Board of Directors may hire External Advisors, at the request of its members and through the CEO, in order to provide an expert opinion as required to make certain decisions, provided they meet the conditions below:</i></p> <ul style="list-style-type: none"> • <i>The external advisors are not personal consultants, but rather for the Board of Directors as a whole.</i> • <i>The decision will be subjected to a majority vote by the Board of Directors.</i> • <i>The topics for which the advisor is contracted must be specialized and critical for making the decision.</i> • <i>The external advisor has sufficient experience in the topic or activities involved."</i> 			

Question 33

	YES	NO
<p>Question: When appointing a member of the Board of Directors, does the issuer bear in mind the potential member's career, academic background and experience to ensure the proper performance of his/her functions? (Measurement 15)</p>	X	
<p>Explanation*:</p> <p>Article 27 of the Company Bylaws - Board of Directors, states: <i>"The Board of Directors will consist of seven (7) primary members and their respective alternates, elected by the electoral quotient system for two (2) year periods; they may be reelected or removed at any time by the General Stockholders' Meeting. Alternate members will decide in the case of absence of or in the event of a conflict of interest with the primary member. The Board members shall be elected bearing in mind the proportional representation of each Stockholder's share, in accordance with the following criteria: They are required to be professionals with high moral and ethical standards, with analytical, management and leadership skills, and as a whole, they should have know-how and experience in the energy industry, finance, risk, law and business. At least three (3) of the primary members and their respective alternates shall be independent."</i></p> <p>In addition, Section 5 of the Good Governance Code - The Company and its</p>		

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Governance, and Board Agreement No. 098 establish aspects relating to the characteristics of Board members.

In order to meet the above conditions, potential Board members are asked to submit their resumes for consideration by Stockholders at the Company headquarters and on the Company website, www.isagen.com.co.

The current Board of Directors was appointed by the Stockholders' Meeting held on March 24, 2009 for the period from April 2009 to March 2011, for which the information was posted in accordance with the regulations in force. The resumes of the candidates were provided.

Subsequently, and as a result of the change in Administration in 2010 following the national elections, the members representing the Ministry of Finance and Public Credit and the Ministry of Mines and Energy (both primary and alternate members) were replaced in August 2010. Said appointments meet the requirements in terms of career, academic background and experience. Their resumes are on the Company website www.isagen.com.co.

Question 34

	YES	NO
Question: Are most of the members of the Board of Directors, or the body acting as such, independent? (Measurement 16)	X	

Explanation*:

Article 27 of the Company Bylaws - Board of Directors, states: *"The Board of Directors will consist of seven (7) primary members and their respective alternates, elected by the electoral quotient system for two (2) year periods; they may be reelected or removed at any time by the General Stockholders' Meeting. Alternate members will decide in the case of absence of or in the event of a conflict of interest with the primary member. The Board members shall be elected bearing in mind the proportional representation of each Stockholder's share, in accordance with the following criteria: They are required to be professionals with high moral and ethical standards, with analytical, management and leadership skills, and as a whole, they should have know-how and experience in the energy industry, finance, risk, law and business. At least three (3) of the primary members and their respective alternates shall be independent. PARAGRAPH ONE: Appointment as a member of the Company's Board of Directors can be based on a person or a specific position. PARAGRAPH TWO - INDEPENDENCE: In addition to the applicable legislation, the Company considers a person an "independent" who in no case is: 1. An employee of the Majority or Controlling Stockholders. 2. A partner or employee of companies providing goods or services when the value of the goods or services acquired represent more than twenty percent (20%) of the operating expenses of ISAGEN or they represent twenty percent (20%) of the*

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income of the supplier of goods or services. 3. A partner or employee of a client when the income from purchases represents more than twenty percent (20%) of ISAGEN's total sales."

In addition, *Chapter 5 of the Good Governance Code - The Company and its Governance, and Board Agreement No. 098 establish the aspects relating to the independent members of the Board of Directors.*

Five (5) independent members (71% of the seats on the Board) were appointed to the current Board of Directors at the General Stockholders' Meeting held on March 24, 2009.

Rights and Obligations of Members of the Board of Directors

Question 35

	YES	NO
<p>Question: Do Board members report the existence of direct or indirect relationships with a stakeholder from which situations of conflict of interest may arise or affect their opinion or vote? (Measurement 17)</p>	X	
<p>Explanation*:</p> <p>Chapter 9 of the Company Bylaws - Conflicts of Interest, Article 51 - Managing Conflicts of Interest defines Conflict of Interest and how to act in the event thereof.</p> <p>In addition, Chapter 3 - Managing Conflicts of Interest from the current Good Governance Code establishes the procedures to be followed by the Board members, the members of the Board Committees, or the CEO in the event of a real or suspected conflict of interest.</p> <p>Furthermore, Article 19 of Board Agreement No. 098 also establishes the respective definitions.</p> <p>In that regard, the Board of Director's minutes reflect when a member believes that a possible conflict of interest may exist. Some notable situations are described below:</p> <ul style="list-style-type: none"> • At Board Meeting No. 191 from February 2010, it was noted that the Board Affairs Committee analyzed concerns that month relating to the possible existence of a conflict of interest on the part of the Minister and Vice Minister of Mines and Energy, who were members of the Board of Directors and also members of the CREG (Commission for the Regulation of Energy and Gas) and in this regard, whether or not it was advisable to keep an item related to "Ministry of Mines and Energy Topics" on the agendas. The Board unanimously agreed to replace said topic with "Board Member Topics" as an 		

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- opportunity for all members to share the matters they considered appropriate.
- At Board Meeting No. 193 held in April, Mr. Luis Ernesto Mejía decided to suspend any actions arising from his role as a member of the Board on the grounds of transparency and respect in order to avoid the possibility of any conflict of interest that might be caused by his decision to be the running mate of presidential candidate Noemí Sanín.
 - At Board Meeting No. 197 held in August, Mr. William Bruce Macmaster Rojas, Vice Minister General of Finance and Public Credit, stated he could not take part in any discussion of topics related to INVERLINK for having been the legal representative of said firm.
 - At Board Meeting No. 200 held in November, Mr. Ramiro Valencia Cossio reported that he was analyzing a request from Odebrecht to provide consulting for certain operations, reason for which he considered it appropriate to resign as a member of the Board and indicated that, if he decided to accept the offer, he would not take part in matters relating to the lawsuit filed by Odebrecht against ISAGEN. At Board Meeting No. 201 held in November, Mr. Valencia submitted his formal resignation.

Question 36

	YES	NO
Question: Does the issuer make sufficient information available to the members of the Board appointed for the first time so that they can become familiar with the specifics of the issuer and the sector in which it operates? (Measurement 18)	X	
Explanation*: <p>As mentioned in the response to question 26, Article 5 of Board Agreement No. 098 - Announcement and Information, states that: <i>"Whenever a Board member is appointed for the first time, sufficient information shall be made available in order for him or her to become familiar with the specifics of the company and the sector."</i></p> <p>Similarly, the section about information for decision-making in Chapter 5 of the Good Governance Code - the Company and its Governance, states that: <i>"When a member of the Board of Directors is named for the first time, ISAGEN will provide him or her with Company information, as well as the obligations, responsibilities and powers inherent to members of the Board of Directors."</i></p> <p>The current Board of Directors was appointed for the period from April 2009 to March 2011 at the General Stockholders' Meeting held on March 24, 2009. At the time, they were provided with sufficient, relevant information regarding the company, their responsibilities and the sector.</p> <p>However, as a result of the change in Administration in 2010 following the national elections, the members representing the Ministry of Finance and Public Credit and the Ministry of Mines and Energy (primary and alternate members) were replaced in August 2010.</p> <p>In response to the appointment of new members, a meeting was held to introduce</p>		

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the Company and its Directors, and provide the information required by the new members in order for them to become familiar with the specifics of the Company and the sector.

In addition, the information relating to Regulation (Bylaws, Agreements, Board Regulations and Good Governance Code) is always available on the website for the personal access of Board members.

Question 37

	YES	NO
<p>Question: Does the issuer provide the members of the Board appointed for the first time with information relating to the responsibilities, obligations and powers associated with the position? (Measurement 18)</p>	X	
<p>Explanation*:</p> <p>As in the responses to questions 26 and 36, Article 5 of Board Agreement No. 098 - Announcement and Information, states that: <i>"Whenever a Board member is appointed for the first time, sufficient information shall be made available in order for him or her to become familiar with the specifics of the company and the sector."</i></p> <p>The section on information for decision-making in Chapter 5 of the Good Governance Code - the Company and its Governance, states that: <i>"When a member of the Board of Directors is named for the first time, ISAGEN will provide him or her with Company information, as well as the obligations, responsibilities and powers inherent to members of the Board of Directors."</i></p> <p>The current Board of Directors was appointed for the period from April 2009 to March 2011 at the General Stockholders' Meeting held on March 24, 2009. At the time, the new members were provided with information on the Company, their responsibilities, obligations and powers, and the sector.</p> <p>However, as a result of the change in Administration in 2010 following the national elections, the members representing the Ministry of Finance and Public Credit and the Ministry of Mines and Energy (primary and alternate members) were replaced in August 2010.</p> <p>In response to the appointment of new members, a meeting was held to introduce the Company and its Directors, and provide the information required by the new members in order for them to become familiar with the specifics of the Company and the sector.</p> <p>In addition, the information relating to Regulation (Bylaws, Agreements, Board Regulations and Good Governance Code) is always available on the website for the personal access of Board members.</p>		

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Question 38

	YES	NO
<p>Question: Do the minutes of the Board meetings refer to the studies, grounds and any other sources of information that serve as the basis for decision-making? (Measurement 19)</p>	X	
<p>Explanation*:</p> <p>As mentioned in the response to question 27, Board Agreement No. 98 states: <i>"MINUTES: The deliberations and decisions made by the Board shall be recorded in minutes, which will be inserted in chronological order in a book registered with the Chamber of Commerce. Said minutes shall be approved at the meeting or at the following session and signed by the President and the Secretary. The minutes of the Board meetings shall refer to the studies, grounds and any other sources of information that serve as the basis for its decisions, as well as any arguments for and against that were taken into consideration."</i></p> <p>Proof of the fulfillment of these measures is included in the minutes of the monthly Board meetings.</p> <p>In addition, a record is made in the minutes stating that the attached documents provided for the meeting are an integral part of the Minutes.</p>		

Question 39

	YES	NO
<p>Question: Do the minutes of the Board meetings include the arguments for and against the decisions made? (Measurement 19)</p>	X	
<p>Explanation*:</p> <p>As mentioned in the response to question 27, Board Agreement No. 98 states: <i>"MINUTES: The deliberations and decisions made by the Board shall be recorded in minutes, which will be inserted in chronological order in a book registered with the Chamber of Commerce. Said minutes shall be approved at the meeting or at the following session and signed by the President and the Secretary. The minutes of the Board meetings shall refer to the studies, grounds and any other sources of information that serve as the basis for its decisions, as well as any arguments for and against that were taken into consideration."</i></p> <p>Proof of compliance with this measure can be found in the minutes of the monthly Board meetings, in which a record is made indicating that the information posted on the website beforehand and provided directly at the meeting is an integral part</p>		

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of the Minutes.

Question 40

	YES	NO
<p>Question: Does the issuer provide Board members with relevant information regarding the decisions to be made at least two (2) days in advance in accordance with the agenda contained in the Announcement? (Measurement 20)</p>	X	
<p>Explanation*:</p> <p>Board Agreement No. 098 states: <i>"ANNOUNCEMENT AND INFORMATION: Notice of Board meetings shall be given at least three (3) business days in advance. However, the Board of Directors may meet without giving notice if all its members are attending. The announcement shall include the agenda. In order to facilitate decision-making by the members of the Board, provided there has been an announcement of a meeting, the information regarding the decisions to be made at the respective meeting will be made available following the announcement thereof. Electronic means will be considered valid to provide notice of the meetings, as well as to provide the information discussed in this Article to the Board members."</i></p> <p>In practice, the information related to the topics to be discussed at each meeting of the Board of Directors and the Board Committees is posted on the Company website www.isagen.com.co at least three (3) business days prior to the meeting.</p> <p>Each of the members of the Board and the Committees has a user name and a password to guarantee the security and confidentiality thereof.</p>		

Question 41

	YES	NO	N/A
<p>Scenario: If the issuer's Board of Directors has alternate members, answer the question; otherwise, answer N/A.</p> <p>Question: Does the issuer have mechanisms to keep Alternate Members informed about the topics submitted to the consideration of the Board of Directors so that they have the information necessary in the event that they have to replace the primary members? (Measurement 21)</p>	X		
<p>Explanation*:</p> <p>In practice, both primary and alternate members attend the Board meetings. Similarly, the announcement and information for decision-making are sent and made available to all members. Therefore, all members are informed about the Company's affairs and the decisions made.</p>			

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Question 42

	YES	NO
<p>Question: Does the issuer have a budget allocation to cover the possible contracting of an external advisor by the Board of Directors at the request of any of its members to provide an expert opinion about certain decisions? (Measurement 22)</p>	X	
<p>Explanation*:</p> <p>There is a budget allocation for the implementation and operation of the Board of Directors, which includes all the items that may be required.</p>		

Supporting Committees

Question 43

	YES	NO	N/A
<p>Scenario: If there is a permanent committee, other than that required by law, whose function includes supporting the Board of Directors in matters regarding appointments and remuneration, answer the question, otherwise, answer N/A.</p> <p>Question: Does the Appointment and Remuneration Committee consist of at least one member of the Board of Directors? (Measurement 23)</p>	X		
<p>Explanation*:</p> <p>Article 23 of Board Agreement No. 098 - Composition, states that: <i>"The permanent Committees of the Board consist of at least three (3) members of the Board of Directors and are appointed by said body. Board members cannot belong to more than two (2) Permanent Committees. The Committees will be created as soon as possible once the Stockholders' Meeting elects the members of the Board of Directors for the respective period."</i></p> <p>The Board Affairs Committee is in charge of dealing with aspects relating to governance practices, Board performance and evaluation, the way in which conflicts of interest are settled in accordance with Article 55 of the Bylaws, the definition of criteria for employees' human and professional development, labor relations management and the election and remuneration of the CEO.</p>			

Question 44

	YES	NO	N/A
<p>Scenario: If there is a permanent committee, other than that required by law, whose function includes supporting the Board of Directors in matters regarding appointments and remuneration, answer the question, otherwise, answer N/A.</p>	X		

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<p>Question: Does the Appointment and Remuneration Committee provide support for the Board of Directors in reviewing the performance of Senior Management, which consists of the CEO and personnel from the level directly below him or her? (Measurement 24)</p>			
<p>Explanation*:</p> <p>According to Board Agreement No. 098, the Board Affairs Committee is responsible for defining the criteria for employees' human and professional development, labor relations management and the election and remuneration of the CEO.</p> <p>The responsibilities of this Committee relating to the performance of Senior Management are:</p> <ul style="list-style-type: none"> • Reviewing the performance of Senior Management • Monitoring compliance with the management remuneration policy • Providing the Board of Directors with the methodology on which the Board of Directors and the CEO are evaluated • Submitting the evaluation of the Board of Directors and the CEO to the Board of Directors • Presenting the criteria related to employees' human and professional development to the Board of Directors <p>In carrying out these responsibilities, the Committee reviewed the performance of the CEO corresponding to the year 2009; and in January 2011, it reviewed his performance from 2010.</p> <p>In addition, this Committee makes recommendations to the Board of Directors about the approval of the Institutional Development Plan, which is a tool to measure the performance of the CEO and the Executives, the variable remuneration of the CEO, Executives and all other Company employees.</p> <p>Furthermore, this Committee monitors the Institutional Development Plan in detail on a quarterly basis.</p>			

Question 45

	YES	NO	N/A
<p>Scenario: If there is a permanent committee, other than that required by law, whose function includes supporting the Board of Directors in matters regarding appointments and remuneration, answer the question, otherwise, answer N/A.</p> <p>Question: Does the Appointment and Remuneration Committee suggest a remuneration and salary policy for the issuer's employees, including senior management? (Measurement 24)</p>	X		
<p>Explanation*:</p>			

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According to Board Agreement No. 098, the Board Affairs Committee *defines the criteria for employees' human and professional development and labor relations management. These criteria include the wage policy for employees, including Senior Management. Another one of its responsibilities consists of monitoring the employee and manager remuneration policy.*

The Board Affairs Committee meeting held in January 2010 discussed the matter relating to the Implementation of the Company's Wage Policy 2010 and took the recommendation to the Board of Directors. Topics related to the Wage Policy were discussed in other meetings, including the meeting held in February 2010, during which Personnel Retention was discussed; and in April 2010, when the topic of Compensation for Temporary Executives was discussed.

Question 46

	YES	NO	N/A
<p>Scenario: If there is a permanent committee, other than that required by law, whose function includes supporting the Board of Directors in matters regarding appointments and remuneration, answer the question, otherwise, answer N/A.</p> <p>Question: Does the Appointment and Remuneration Committee suggest the appointment, remuneration and removal of the company's CEO or the person acting as such? (Measurement 24)</p>	X		
<p>Explanation*:</p> <p>According to Board Agreement No. 09 [sic], the responsibilities of the Board Affairs Committee include proposing the election and remuneration of the CEO to the Board of Directors.</p> <p>In carrying out these responsibilities, the Committee reviewed the performance of the CEO corresponding to the year 2009 and defined the pay raise for 2010; and in January 2011, it reviewed his performance in 2010.</p>			

Question 47

	YES	NO	N/A
<p>Scenario: If there is a permanent committee, other than that required by law, whose function includes supporting the Board of Directors in matters regarding appointments and remuneration, answer yes or no; otherwise, answer N/A.</p> <p>Question: Does the Appointment and Remuneration Committee propose objective criteria based on which the issuer hires its top executives? (Measurement 24)</p>	X		
<p>Explanation*:</p>			

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According to Board Agreement No. 098, the Board Affairs Committee's responsibilities include *reviewing and making recommendations in relation to the criteria for selecting and hiring top executives and, in general, all Company employees.*

Question 48

	YES	NO	N/A
<p>Scenario: If there is a permanent committee, other than that required by law, whose function includes supporting the Board of Directors in matters regarding corporate governance, answer the question, otherwise, answer N/A.</p> <p>Question: Does the Corporate Governance Committee consist of at least one member of the Board of Directors? (Measurement 23)</p>	X		
<p>Explanation*:</p> <p>The responsibilities associated with Corporate Governance are distributed between the Board Affairs Committee and the Audit Committee.</p> <p>The responsibilities of the committees have been established in Board Agreement No. 098 and the Audit Committee Bylaws. These documents are available on the Company website www.isagen.com.co in the "Institutional Information / Corporate Governance" section.</p> <p>Both committees are made up of at least 3 members of the Board of Directors. They were made up of the following Board members in 2010:</p> <p><i>Board Affairs Committee:</i></p> <ul style="list-style-type: none"> • President: Mr. Luis Fernando Uribe Restrepo • Ms. Silvana Giaimo Chávez, replaced in August by Mr. Tomás González Estrada. • Mr. Jesús Arturo Aristizabal Guevara. <p><i>Audit Committee:</i></p> <ul style="list-style-type: none"> • President: Mr. Germán Jaramillo Olano • Ms. María Consuelo Araújo • Mr. Andrés Felipe Mejía • Mr. Alejandro Gaviria Uribe 			

Question 49

	YES	NO	N/A
<p>Scenario: If there is a permanent committee, other than that required by law, whose function includes supporting the Board of Directors in matters regarding corporate governance, answer the question, otherwise, answer N/A.</p>	X		

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Question: Does the Corporate Governance Committee ensure that Stockholders and the market in general have full, truthful and timely access to information that must be disclosed by the issuer? (Measurement 25)			
<p>Explanation*:</p> <p>This is the Audit Committee's responsibility and it has been defined in its Bylaws as:</p> <ul style="list-style-type: none"> • Ensuring that Stockholders and the market in general have full, truthful and timely access to Company information that must be disclosed. <p>The Committee fulfilled this responsibility as follows:</p> <ul style="list-style-type: none"> • At the meeting held in February 2010, the Committee reviewed the information that was disclosed for the second half of 2009. • At the meeting held in August 2010, the Committee reviewed the information corresponding to the first half of 2010. • At the meeting held on February 10, 2010 [sic], the Committee reviewed the information corresponding to the second half of 2010. <p>In all cases, it was concluded that the Stockholders and the market in general had full, truthful and timely access to the information to be disclosed by ISAGEN according to the regulations of the Financial Superintendence, the Stockholder Offer and Agreement, the Company Bylaws and the Good Governance Code, among others.</p>			

Question 50

	YES	NO	N/A
<p>Scenario: If there is a permanent committee, other than that required by law, whose function includes supporting the Board of Directors in matters regarding corporate governance, answer the question, otherwise, answer N/A.</p> <p>Question: Does the Corporate Governance Committee report on the Audit Committee's performance? (Measurement 25)</p>	X		
<p>Explanation*:</p> <p>The Audit Committee reports its performance to the Board of Directors in accordance with its Bylaws, which state: <i>"Self-evaluate performance and that of each of its members, at least once per year, taking the measures necessary for improvement."</i></p> <p>The Committee fulfilled this responsibility as follows:</p> <ul style="list-style-type: none"> • At the Board meeting held in January 2010, the results of the Self-Evaluation of the Board of Directors and the Board Committees for 2009 were discussed 			

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and the respective improvement plan was defined.

- At the Board meeting held in January 2011, the results of the Self-Evaluation of the Board of Directors and the Board Committees for 2010 were discussed and the respective improvement plan was defined.
- In addition, the topics and recommendations put forth by the Committees are discussed at each Board meeting in order for the Board of Directors to eventually endorse the decision.
- According to the Audit Committee's Bylaws, the fulfillment of its responsibilities is verified and the results are included in the Annual Report of the Internal Control System presented by the Audit Committee to the Board of Directors. The report corresponding to the year 2010 was submitted at the Board meeting held in January 2011.

Question 51

	YES	NO	N/A
<p>Scenario: If there is a permanent committee, other than that required by law, whose function includes supporting the Board of Directors in matters regarding corporate governance, answer the question, otherwise, answer N/A.</p> <p>Question: Does the Corporate Governance Committee review and evaluate the way in which the Board of Directors fulfilled its obligations during the period? (Measurement 25)</p>	X		
<p>Explanation*:</p> <p>According to Board Agreement No. 098, the Board Affairs Committee deals with the aspects relating to the governance practices, operation and evaluation of the Board.</p> <ul style="list-style-type: none"> • This activity is carried out through the annual self-evaluation of the Board, which reviews the following areas: contribution and commitment, performance of the Board of Directors and the Committees, and knowledge of the Company and the sector. Based on the results, an improvement plan is designed to be carried out during the year. • The result of the Self-Evaluation for 2009 was submitted at the Board meeting held in January 2010. • The result of the Self-Evaluation for 2010 was submitted at the Board meeting held in January 2011. <p>In addition, as part of the review of the Good Governance practices, the Audit Committee monitors the fulfillment of commitments resulting from the Board meetings, and the result of said review is presented by the Chairman of the Board at the General Stockholders' Meeting.</p> <ul style="list-style-type: none"> • The commitment monitoring results for the first half of 2010 were reviewed in the Audit Committee meeting held in August 2010. • The commitment monitoring results for the second half of 2010 were reviewed 			

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in the Audit Committee meeting held in February 2011.
<ul style="list-style-type: none"> The report on the Board's performance during the year 2009 was presented at the General Stockholders' Meeting held on March 24, 2010. The report on the Board's performance during the year 2010 will be presented at the General Stockholders' Meeting to be held on March 24, 2011.

Question 52

	YES	NO	N/A
<p>Scenario: If there is a permanent committee, other than that required by law, whose function includes supporting the Board of Directors in matters regarding corporate governance, answer the question, otherwise, answer N/A.</p> <p>Question: Does the Corporate Governance Committee monitor Board member negotiations that involve stocks issued by the company or other companies within the same group? (Measurement 25)</p>	X		
<p>Explanation*:</p> <p>This is the Audit Committee's responsibility. As established in its Bylaws, the Audit Committee is required to:</p> <ul style="list-style-type: none"> Monitor Board member negotiations that involve stocks issued by the Company. <p>The Committee fulfilled this responsibility as follows:</p> <ul style="list-style-type: none"> At the meeting held in February 2010, the Committee reviewed the negotiations carried out during the second half of 2009. At the meeting held in August 2010, the Committee reviewed the negotiations carried out during the first half of 2010. At the meeting held in February 2011, the Committee reviewed the negotiations carried out during the second half of 2010. <p>In all cases, it was concluded that the negotiations met the requirements established by the applicable Agreements.</p>			

Question 53

	YES	NO	N/A
<p>Scenario: If there is a permanent committee, other than that required by law, whose function includes supporting the Board of Directors in matters regarding corporate governance, answer the question, otherwise, answer N/A.</p> <p>Question: Does the Corporate Governance Committee monitor compliance with the manager remuneration policy? (Measurement 25)</p>	X		
<p>Explanation*:</p>			

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This is the responsibility of the Board Affairs Committee, which, according to Board Agreement No. 098: *"defines the criteria for employees' human and professional development and labor relations management."* These criteria include the wage policy for employees, including senior management. Another one of its responsibilities consists of monitoring the manager remuneration policy.

Proof of the fulfillment of this responsibility can be found in the Board Affairs Committee meeting held in January 2010, which discussed the Application of the Wage Policy and the CEO Evaluation; at the meeting held in February, which discussed Personnel Retention; and in April, which discussed Compensation for Temporary Executives.

Also, the Audit Committee reviewed the Good Governance Code Evaluation Report, which includes verification of compliance with said provisions.

Question 54

	YES	NO
In addition to the functions established by law or the bylaws, does the Audit Committee make any announcements by way of a written report regarding operations planned to be carried out with economic associates? (Measurement 26)	X	
<p>Explanation*:</p> <p>In the case of ISAGEN, the operations referenced above are mainly the purchase and sale of energy, gas, and operations on the reliability payment secondary market. These operations are carried out every day by the Company. It is therefore impractical to present a report to the Audit Committee on each operation planned in order for it to be authorized before it is executed.</p> <p>Therefore, the Audit Committee established the practice of conducting a periodic review of the sales criteria in operations with affiliates and economic associates and a semiannual review of compliance with said criteria in the report to be presented by the CEO to the Board of Directors about operations with associates and affiliates, as defined in the Company Bylaws.</p> <p>In compliance therewith, the Board of Directors delegated the review of the operations report to be carried out in the Audit Committee on a semiannual basis.</p> <ul style="list-style-type: none"> • The latest review of criteria by the Audit Committee was carried out at Meeting No. 62 on November 25, 2010. • The report on the operations carried out during the first half of 2010 was reviewed at the Audit Committee meeting held in August 2010. • The report on the operations carried out during the second half of 2010 was reviewed at the Audit Committee meeting held in February 2011. 		

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In all cases, it was concluded that the operations with Affiliates and Economic Associates were carried out in accordance with objective criteria based on market conditions.

Question 55

	YES	NO
In addition to the functions established by law or the by-laws, does the Audit Committee verify that the possible operations planned with economic associates are carried out based on market conditions and that they do not violate the principles fair treatment among Stockholders? (Measurement 26)	X	
<p>Explanation*:</p> <p>As mentioned in the response to question No. 54, in compliance with these measures and bearing in mind the market in which ISAGEN operates, the Audit Committee periodically reviews the criteria on which commercial operations are based as well as the report prepared by the CEO about the operations carried out, on a semiannual basis, in order to verify that the defined criteria have been met.</p> <p>In all cases, it was concluded that the operations with Affiliates and Economic Associates were carried out in accordance with objective criteria based on market conditions.</p>		

Question 56

	YES	NO
In addition to the functions established by law or the bylaws, does the Audit Committee establish the policies, criteria and practices to be used by the issuer in the preparation, disclosure and dissemination of its financial information? (Measurement 26)	X	
<p>Explanation*:</p> <p>As established in the Audit Committee Bylaws, the Committee has the following responsibilities in this regard:</p> <ul style="list-style-type: none"> • Reviewing the Company's policies, criteria and practices related to the preparation, disclosure and dissemination of its accounting and financial information. • Advising the Board of Directors to make adjustments thereto when deemed pertinent. • Ensuring that the financial and accounting information is drawn up in accordance with the applicable criteria, policies and provisions. 		
<p>In compliance with these provisions and before it is submitted to the Board of Directors, the financial information is reviewed by the Committee in the following manner:</p>		

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- The financial statements are sent to the members of the Audit Committee on a monthly basis so they can make any comments deemed relevant before the Board meeting.
- The Committee conducts a detailed review of the financial statements on a quarterly basis, analyzes the main variations in comparison with the previous year, discloses the economic events that occurred during the quarter and their impact on the financial statements, and presents the status of positive and negative contingencies. The reviews corresponding to the year 2010 were conducted at the Committee meetings held in April, July and November 2010.
- The financial statements and their respective notes are submitted for review on a yearly basis, along with the Tax Inspector's Report, before they are brought to the Board of Directors and the General Stockholders' Meeting. The review of the report corresponding to the year 2010 was conducted at the Committee meetings held in January and February 2011.
- In April 2010, the Audit Committee reviewed the Accounting and Tax Plan corresponding to the year 2010, providing guidelines on the matter.
- In the months of September, November and December 2010, during the course of the Project to Adopt the International Financial Reporting Standards (IFRS), the Audit Committee reviewed the scope of the project and discussed the accounting policies of the IFRS, which are a part of the framework based on which the Company will continue to record and disclose its financial information.

Question 57

	YES	NO
In addition to the functions established by law or the bylaws, does the Audit Committee define mechanisms to consolidate information from the issuer's regulatory entities for submission to the Board of Directors? (Measurement 26)	X	
<p>Explanation*:</p> <p>According to the provisions established in the Audit Committee Bylaws, the Committee has the following responsibilities as regards the regulatory entities:</p> <ul style="list-style-type: none"> • Reviewing the Tax Inspector's work plan for the current year. • Reviewing the Tax Inspector's reports and the improvement plans resulting from the assessments. • Reporting the results of the review of the Tax Inspector's opinion, reports and communications to the Board of Directors, whenever deemed appropriate. • Reviewing the reports from other regulatory entities, providing the Board of Directors with a summary, and reviewing the improvement plans resulting from said reports. <p>In 2010, the Audit Committee conducted a detailed review of the Tax Inspector's Report corresponding to the year 2009 at its meetings held in January and February.</p> <p>At the meeting in February 2010, the Committee reviewed the Report by the</p>		

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External Management and Results Auditors for 2009.

At the meeting in July 2010, the Audit Committee reviewed the Report of the Comptroller General of the Republic for 2009.

Similarly, in January and February 2011, the Committee reviewed the reports from the Tax Inspector's Office and the External Management and Results Auditors for 2010.

The reports or opinions from the different regulatory entities are presented as a summary or made available for the Board of Directors' information.

In the Annual Internal Control System report, the Committee is informed again of the results obtained by the Company in the evaluation conducted by regulatory entities.

The improvement plan established with the Comptroller General of the Republic is monitored at the Board meeting held every month.

These provisions were met in 2010 as follows:

- During the course of the year and following review by the Audit Committee, the summaries of the reports provided by the following regulatory entities were presented to the Board of Directors: the Comptroller General of the Republic, External Management and Results Auditor and the Tax Inspector.
- The Annual Business Control System Report 2010, which includes the work carried out by the regulatory authorities during the previous year, was submitted to the Audit Committee and the Board in January 2011.

III. DISCLOSURE OF FINANCIAL AND NON-FINANCIAL INFORMATION

Requests for Information

Question 58

	YES	NO
Question: Does the issuer have a service or contact center available to its investors which serves as a channel of communication? (Measurement 27)	X	
<p>Explanation*:</p> <p>Chapter 4 of the Good Governance Code - Fair Treatment of Stockholders - Stockholder Services, establishes that: <i>"In order to facilitate interaction between ISAGEN'S governing bodies and its Stockholders and investors, the Company has a Stockholder Service Office, coordinated by the Director of the Financial Resource Management Team, who channels requirements and needs and provides requested information as established in this Code and the Law."</i></p>		

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The Stockholder Service Office is located at the Company headquarters.

In addition, there are other communication mechanisms, such as a special section for Stockholders on the website www.isagen.com.co and a Call Center.

Question 59

	YES	NO
When the issuer believes that a response given to an investor may place him or her at an advantage, does the issuer ensure that all other investors will immediately have access to said response, in accordance with the mechanisms established by the issuer for this purpose, and under the same economic conditions? (Measure 28)	X	
<p>Explanation*:</p> <p>Chapter 7.3 of the Good Governance Code - Providing Information, establishes that:</p> <p><i>"In order for its Stockholders to have relevant information for monitoring and making decisions regarding their investment, ISAGEN will provide them with information on business management, Corporate Governance and published information relating to the Company, pursuant to this Code, and agrees to clarify any concern put forth to the extent allowed, subject to its duty to preserve confidential information as described herein.</i></p> <p><i>General information related to the Good Governance Code, Good Governance Practice evaluations, and all the information provided to a stockholder that, in the opinion of the Company may place him or her at an advantage over other Stockholders, can be consulted at the Stockholder Service Office and in the Stockholder Information section of the website, www.isagen.com.co."</i></p> <p>As a result of the General Stockholders Meeting held on March 24, 2010, some of the questions asked could not be answered during the course of the meeting and, therefore, the respective responses were posted on the Company website in order for all Stockholders to have access thereto.</p> <p>In addition, Section 7.4 of the Good Governance Code - Confidential Information, establishes that: <i>"Information related to Company activities includes information that: has to do with projects, analyses or evaluations; involves the company's strategy; provides competitive advantages; involves the security or safety of workers or facilities. This information can be obtained upon written request expressly indicating the purpose thereof, the reasons for which the information is considered relevant to the stockholder or investor making the request, and the agreement that the information will be used exclusively by the applicant in accordance with the requested purpose. The CEO will decide whether or not the requested information should be disclosed and will respond to requests within twenty (20) business days following submission thereof."</i></p>		

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At General Stockholders' Meeting No. 029 held on March 24, 2010, a majority vote approved a proposal made by the Ministry of Finance and Public Credit, a majority stockholder. The vote authorized the disclosure of all confidential information needed by the government to structure, develop and execute the process to sell its shares in ISAGEN according to the terms of existing regulations, taking all measures to protect privileged and/or confidential information pursuant to the security standards that are used by the stock market for this effect. Said authorization has not been used because the Majority Stockholder has postponed its decision.

Question 60

	YES	NO
Question: Can a group of Stockholders request specialized audits? (Measurement 29)	X	
<p>Explanation*:</p> <p><i>Article 15 of the Company Bylaws - Stockholders' Rights, establishes that: "Stockholders shall have the rights contained in Article 379 of the Business Code and any regulations that may modify, replace or add to them in the future, in addition to those contained in these Bylaws. In addition to the rights contained in the above regulations, Stockholders shall be entitled to: 1. Request and receive material information in order to make decisions regarding their investment. 2. Two or more stockholders representing at least ten percent (10%) of the Company's subscribed shares may request, at their own expense and responsibility, a specialized audit of the Company's financial statements pursuant to the rules and procedures established in the Good Governance Code." Likewise, Chapter 4 of the Good Governance Code - Fair Treatment of Stockholders, establishes matters relating to Specialized Audits, the procedure to request said audits, and the execution and results thereof.</i></p> <p>In 2010, no requests were received from Stockholders to conduct specialized audits.</p>		

Question 61

	YES	NO	N/A
<p>Scenario: If a group of Stockholders can request specialized audits, answer the question; otherwise, answer N/A.</p> <p>Question: Is there a procedure that specifies the required share percentage to be able to request specialized audits? (Measurement 30)</p>	X		
<p>Explanation*:</p> <p>Chapter 4 of the Good Governance Code - Fair Treatment of Stockholders - Specialized Audits, establishes that: <i>"Two or more Stockholders representing at least ten percent (10%) of the</i></p>			

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Company's subscribed shares, as well as the Investors holding at least twenty percent (20%) of the total securities issued by the Company on the Public Stock Exchange, may request, at their own expense and responsibility, a specialized audit of the Company's financial statements, for which it shall employ an auditing firm with renowned experience and prestige."

Question 62

	YES	NO	N/A
<p>Scenario: If a group of Stockholders can request specialized audits, answer the question; otherwise, answer N/A.</p> <p>Question: Is there a procedure that specifies the reasons why the share percentage requirement for requesting specialized audits was defined? (Measurement 30)</p>	X		
<p>Explanation*:</p> <p>Chapter 4 of the Good Governance Code - Fair Treatment of Stockholders, establishes that: <i>"The percentage of 10% of subscribed shares to request specialized audits guarantees access to said audits by minority Stockholders."</i></p> <p>This percentage is 15 points lower than that established by law, making it a guarantee for minority Stockholders according to the Company's shareholder structure, given that this practice is more stringent than the legal regulation.</p>			

Question 63

	YES	NO	N/A
<p>Scenario: If a group of Stockholders can request specialized audits, answer the question; otherwise, answer N/A.</p> <p>Question: Is there a procedure that specifies the requirements to request a specialized audit?</p>	X		
<p>Explanation*:</p> <p>Chapter 4 of the Good Governance Code - Fair Treatment of Stockholders, Specialized Audits, establishes that:</p> <p><i>"For the purposes of conducting the audit, the Stockholders and/or Investors that meet the requirements must submit a written request to the Company's CEO or Board of Directors.</i></p> <p><i>The request shall contain at least the following:</i></p> <ul style="list-style-type: none"> • <i>Grounds for the request</i> • <i>Proof that the applicant represents the minimum number of Stockholders and/or Investors</i> • <i>Objectives of the audit</i> • <i>Indication of the events or elements on which the doubts regarding the</i> 			

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Company's financial information are based

- *Three (3) possible firms with renowned experience and reputation that could conduct the audit*
- *Name of the applicants' representative to whom the required paperwork should be addressed*
- *Mechanisms to guarantee that the information provided to conduct the audit will be treated with confidentiality and not disclosed or used for the benefit of third parties or against the Company.*
- *An agreement that only the material elements or facts considered irregular regarding the quality, reliability and legality of the financial statements will be revealed to the public and the authorities; this information shall be provided along with the corresponding explanations given by Management.*

Once the request has been submitted, the Company's CEO will have ten (10) business days to verify whether it meets the requirements established in this Code.

Following acceptance of the request, the CEO will choose the auditing firm, informing it and the applicants of the likely date on which the audit will begin and the length thereof."

Question 64

	YES	NO	N/A
<p>Scenario: If a group of Stockholders can request specialized audits, answer the question; otherwise, answer N/A.</p> <p>Question: Is there a procedure that specifies who is in charge of conducting the specialized audit and how that party is designated? (Measurement 30)</p>	X		
<p>Explanation*:</p> <p>Chapter 4 of the Good Governance Code - Fair Treatment of Stockholders, establishes that:</p> <ul style="list-style-type: none"> • <i>A firm with renowned experience and prestige shall be used.</i> • <i>The request made by the stockholder should contain, along with other information, three (3) possible firms with renowned experience and reputation that could conduct the audit.</i> • <i>Following acceptance of the request, the CEO will choose the auditing firm, informing it and the applicants of the likely date on which the audit will begin and the length thereof.</i> 			

Question 65

YES	NO	N/A
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Scenario: If a group of Stockholders can request specialized audits, answer the question; otherwise, answer N/A. Question: Is there a procedure that specifies who should bear the cost of the specialized audit? (Measurement 30)	X		
<p>Explanation*:</p> <p>Chapter 4 of the Good Governance Code - Fair Treatment of Stockholders, establishes that: <i>"Two or more Stockholders representing at least ten percent (10%) of the Company's subscribed shares, as well as Investors holding at least twenty percent (20%) of the total securities issued by the Company on the Public Stock Exchange, may request, at their own expense and responsibility, a specialized audit."</i></p>			

Question 66

	YES	NO	N/A
Scenario: If a group of Stockholders can request specialized audits, answer the question; otherwise, answer N/A. Question: Are there specific deadlines established for each of the stages or steps of the procedure for conducting the specialized audit? (Measurement 30)	X		
<p>Explanation*:</p> <p>Chapter 4 of the Good Governance Code - Fair Treatment of Stockholders, establishes that:</p> <p><i>"Once the request has been submitted, the Company's CEO will have ten (10) business days to verify whether it meets the requirements established in this Code. Following acceptance of the request, the CEO will choose the auditing firm, informing it and the applicants of the likely date on which the audit will begin and the length thereof.</i></p> <p><i>The results of the specialized audit are to be presented in the first instance to the CEO, who will have ten (10) business days to comment thereon. The results and the comments of the CEO will be reported to the Board of Directors.</i></p> <p><i>If the request is rejected by the CEO but the Stockholders or Investors protest, the Board of Directors will be in charge of settling the request, for which it will have ten (10) business days following receipt of the new message."</i></p>			

Information to the Market

Question 67

	YES	NO
Question: Has the issuer provided mechanisms to disclose the	X	

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material findings resulting from internal control activities to Stockholders and other investors? (Measurement 31)		
<p>Explanation*:</p> <p>Chapter 7 of the Good Governance Code - Disclosure of Information, establishes that: <i>"ISAGEN shall disclose the material findings resulting from internal control activities to the market on a yearly basis. A material finding is or represents a sum greater than or equal to 5% of the taxable budget approved by the Board of Directors for the corresponding period."</i></p> <p>The Annual Report of the Business Control System corresponding to 2010 was presented to the Board of Directors in January 2011, as a product of the Audit Committee's work in 2010, which included the details of the most important findings of the evaluations conducted thereby; however, none of them was considered relevant according to the criteria established in the Good Governance Code.</p>		

Question 68

(Measure 32) The issuer discloses to the market general policies applicable to remuneration and any other economic benefit granted to:		
	YES	NO
Members of the Board of Directors	X	
Legal Representative	X	
Tax Inspector	X	
External Advisors	X	
External Auditors	X	
<p>Explanation*:</p> <p>Chapter 5 of the Good Governance Code - The Company and its Governance, establishes the following policies on the matter:</p> <p>Board of Directors:</p> <ul style="list-style-type: none"> • The General Stockholders' Meeting will set the remuneration for the Board members, for their attendance of Board meetings as well as Committee meetings, based on market references. <p>Legal Representative - CEO:</p> <ul style="list-style-type: none"> • The Board of Directors appoints ISAGEN'S CEO and two alternates, removes them, reelects and sets the remuneration of the CEO according to market references. Criteria such as Company complexity, responsibility of the position and market signals are taken into account to determine remuneration. <p>Tax Inspector:</p> <ul style="list-style-type: none"> • The General Stockholders' Meeting is the body with the power to elect and 		

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remove the Company's Tax Inspector. The remuneration of the firm that serves as the Tax Inspector, as well as that of the specialized auditors is set based on market prices, because it takes place as a result of a competitive process in which firms that meet the established requirements are invited to participate.

External Advisors / Auditors:

- The Board of Directors may hire External Advisors, at the request of its members and through the CEO, in order to provide an expert opinion as required to make certain decisions. Contracting is based on market prices.

The Good Governance Code is available for reference on the Company website, www.isagen.com.co.

Question 69

	YES	NO
<p>Question: Does the issuer disclose to the market the contracts entered into with its directors, managers, chief executives and legal representatives, including its parent companies, partners and other related parties? (Measurement 33)</p>		X
<p>Explanation*:</p> <p>These contracts are not available for market reference; however, different controls have been implemented in order for the negotiations of said contracts to be transparent and objective, as follows:</p>		
<ul style="list-style-type: none"> • As regards service agreements, Chapter 5 of the Good Governance Code – The Company and its Governance, establishes that the selection of executive positions is based on the qualifications of candidates in the Company and on the job market who meet the required profile, using a formal, systematic assessment tool. Remuneration is based on market references. Said principles and procedures are the same as those applicable for the selection and evaluation of other Company employees. • As regards all other types of contracts, the persons listed above cannot take part in the contracting processes, as established in the Company's Ethical Behavior Statement and in the Good Governance Code's provisions on the mechanisms and procedures to deal with conflicts of interest. Compliance with said practices is verified by the Company on a periodic basis. • Additionally, the contracting plan and the public contracting processes are posted on the Company website www.isagen.com.co in the "Institutional Information / Suppliers" section. 		

Question 70

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	YES	NO
<p>Question: Does the issuer disclose to the market its internal regulations regarding conflict resolution? (Measurement 34)</p>	X	
<p>Explanation*:</p> <p>Chapter 9 of the Company Bylaws - Conflicts of Interest, and Chapter 3 of the Good Governance Code - Managing Conflicts of Interest, <i>establish mechanisms to prevent, settle and disclose conflicts of interest and dispute resolution.</i></p> <p>Both documents are available for reference on the Company website www.isagen.com.co.</p>		

Question 71

	YES	NO
<p>Question: Does the issuer disclose to the market the criteria that executives, managers and employees use when trading stocks and other securities issued thereby, such as the right of first refusal? (Measure 35)</p>	X	
<p>Explanation*:</p> <p>Chapter 4 of the Good Governance Code - Fair Treatment of Stockholders, Stock Trading Criteria, establishes that:</p> <ul style="list-style-type: none"> • <i>Board members and the CEO may not, on their own behalf or that of third parties, sell or purchase Company stock while they are in office, unless (i) the transaction does not involve speculation and it is authorized by the Board of Directors by a majority vote held among the members in attendance, provided there is a quorum for the meeting to deliberate, or (ii) when authorized by law, decree or any other general regulation.</i> • <i>Subject to the foregoing, all other managers must bear in mind that they may not trade stock or other securities issued by the company based on information they have obtained while in office unless said information is public. Speculative trading is not permitted.</i> • <i>Managers are to inform the CEO within eight (8) business days following a trade, indicating the terms under which the transactions were carried out."</i> <p>Board Agreement No. 112 from October 2009 establishes the criteria and the procedure for ISAGEN'S Managers, Executives and Employees to purchase and sell Company stock and other securities in compliance with the Good Governance practices and legal provisions in order to avoid speculation and the use of privileged information in said transactions.</p> <p>Compliance with these provisions is monitored by the Audit Committee on a semiannual basis.</p> <ul style="list-style-type: none"> • The report on the operations carried out during the first half of 2010 was reviewed at the Audit Committee meeting held in August 2010. 		

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- The report on the operations carried out during the second half of 2010 was presented at the Audit Committee meeting held in February 2011.

Question 72

	YES	NO
Question: Does the issuer disclose to the market the resumes of Board members and the internal regulatory entities or, if there are none, the equivalent authorities, as well as those of the legal representatives, such that the public can see their management capacity qualifications and experience as they relate to the matters they are required to deal with? (Measurement 36)	X	
Explanation*: Chapter 7 of the Good Governance Code - Disclosure of Information, establishes that: <i>"The resumes of the members of the Board of Directors, the Legal Representative and the Organizational Auditor will be accessible to Stockholders and the market, and will be posted at www.isagen.com.co in the Information for Stockholders section.</i>		

Tax Inspector

Question 73

	YES	NO
Question: Did the issuer appoint as tax inspectors persons or firms that have received revenue from the company and/or its economic associates that accounted for 25% or more of its income in the previous year? (Measurement 37)		X
Explanation*: Chapter 6 of the Good Governance Code - Control Mechanisms, External Control, establishes the ineligibilities and incompatibilities for the Tax Inspector, as follows: <ul style="list-style-type: none"> • Parties considered ineligible by Law cannot be elected as Tax Inspectors. In addition, the management of the Tax Inspector must be free from any conflict of interest that would prevent him or her from being independent and free from any type of influence from the Board members or other Company managers. • In addition, the Tax Inspector shall not have received revenue from the Company and/or its economic associates that accounts for twenty five percent (25%) or more of his/her/its annual revenues during the period prior to the election thereof. • In the event of any grounds of ineligibility or incompatibility, the Tax Inspector shall report the matter to the Audit Committee, which will guarantee the continuity of the Tax Inspection activity and take the measures necessary for the election of a new Tax Inspector, if necessary. <p>The Tax Inspector was elected at the General Stockholders' Meeting held on March 24, 2009 for 2009 and 2010.</p>		

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In order to elect the Tax Inspector for 2011 and 2012, the Board of Directors (based on recommendations from the Audit Committee) approved a proposal in November to carry out the respective process by requesting estimates from the firms Deloitte (the current tax inspectors), Ernst and Young, and KPMG. The results of the process will be submitted to the Audit Committee, then to the Board of Directors and, finally, to the General Stockholders' Meeting.

Question 74

	YES	NO
Question: Does the issuer or its economic associates contract services other than auditing with the Tax Inspector? (Measurement 38)		X
<p>Explanation*:</p> <p>Chapter 6 of the Good Governance Code - Control Mechanisms, External Control, establishes that:</p> <ul style="list-style-type: none"> • <i>The Tax Inspection firm can provide services other than auditing only if it has the prior authorization of the Audit Committee.</i> <p>Similarly, the Audit Committee Bylaws establish its responsibilities, which include:</p> <ul style="list-style-type: none"> • <i>Verifying the independence of the Tax Inspectors and that of any service they provide.</i> • <i>Defining the additional services that may be provided by the Tax Inspection Firm. This Committee has the power to define the additional services that may be provided by the Tax Inspection firm, verify the independence of the Tax Inspectors and that of any service they provide, and review the work plan of the Tax Inspectors for the current year.</i> <p>In compliance with this measure, no services were contracted during the year with the Tax Inspection firm, other than those of auditing.</p>		

Question 75

	YES	NO
Question: Do the issuer's contracts with the tax inspector establish clauses to rotate the individuals who carry out the inspection function every five (5) years? (Measurement 39)	X	
<p>Explanation*:</p> <p>Chapter 6 of the Good Governance Code - Control Mechanisms, External Control, establishes that: <i>"Under no circumstances may the same firm hold the position for more than four (4) years in a row. In any case, Management will conduct an evaluation of the work carried out by the Tax Inspection firm on a yearly basis and present the results thereof at the General Stockholders' Meeting."</i></p>		

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Although there are no clauses to rotate personnel in the Tax Inspection contracts, the criteria established in the Good Governance Code are more stringent and prevent the function from being carried out by the same person for more than 5 years straight.

The new Tax Inspector was elected at the General Stockholders' Meeting held on March 24, 2009 for the years 2009 and 2010.

Question 76

	YES	NO
<p>Question: Does the issuer require the tax inspection firm to wait at least two (2) years for the person who has been rotated to resume inspection for the same company? (Measurement 39)</p>	X	
<p>Explanation*:</p> <p>As explained in the previous response, although there are no clauses about rotating personnel in the Tax Inspection contracts, the criteria established in the Good Governance Code are more stringent and prevent the function from being carried out by the same person for more than 5 years straight, as suggested by the measure.</p> <p>In addition, the Tax Inspection firm is elected for a two (2) year period, which guarantees that the person leaving the post will not return to the Company for at least the following two (2) years.</p>		

IV. DISPUTE RESOLUTION

Question 77

	YES	NO
<p>Question: Does the issuer take the measures necessary to inform its Stockholders about the jurisdictional procedure for exercising their rights with the Colombian Financial Superintendence? (Measurement 40)</p>	X	
<p>Explanation*:</p> <p>Chapter 4 of the Good Governance Code - Equal Treatment of Stockholders, establishes the Rights of Stockholders and Investors as follows: <i>"Stockholders are entitled to rights contained in the Business Code, particularly Article 379 and Article 15 - Stockholders Rights - of the Bylaws. The Company will use the 'Information for Stockholders' section of its website to inform its Stockholders of</i></p>		

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the procedure available to them for exercising their rights with the Financial Superintendence, in accordance with Articles 49 and 53 of Law 964 of 2005."

The Code is available for reference on the Company website www.isagen.com.co.

In addition, the Stakeholders / Investors link on the website contains historic and current information for Stockholders, which is where the "Stockholders' Bulletins" are published. Issue No. 6 (November 2010) specifically reminded Stockholders of one of their rights, to the effect that *"Any number of stockholders in a publicly traded company who hold a quantity of stocks not greater than ten percent (10%) of the stocks in circulation and who are not represented within a company's management may seek recourse with the Stock Superintendence when he or she feels that his or her rights have been directly or indirectly violated by the decisions of the General Stockholder's Meeting or the Board of Directors or the legal representatives of the company."*

Question 78

	YES	NO
Question: Has the issuer adopted the mechanism of direct settlement to resolve any conflicts that may arise between the issuer and Stockholders, between Stockholders and managers, or among Stockholders? (Measurement 41)	X	

Explanation*:

Article 44 of the Company Bylaws - Dispute Resolution, establishes that: *"Any disputes arising during the development of the contract, between the Company and the Stockholders, or among Stockholders, that involve topics inherent to the contract, shall attempt to be resolved in the first instance by direct settlement, through the action of mediators, or conciliation. Settlement using these alternatives must be achieved within thirty (30) business days following the date upon which the grounds of the dispute are notified by one party to the other; otherwise, they will go to Arbitration. The thirty (30) day term may be extended by mutual agreement between the parties."*

Similarly, Chapter 4 of the Good Governance Code - Fair Treatment of Stockholders, Dispute Resolution, establishes that:

"Any conflicts that occur between the Company and the Stockholders, or among Stockholders:

- *Shall attempt to be resolved in the first instance by direct settlement, through the action of mediators, or conciliation with the participation of arbitration and conciliation centers, and*
- *In the last instance, by an Arbitration Tribunal as established in Article 44 of the Company Bylaws - Dispute Settlement."*

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In 2010, there were no conflicts of interest between the Company and its Stockholders; there was no knowledge of conflicts of interest arising directly among Stockholders.

Question 79

	YES	NO
<p>Question: Does the issuer provide an alternative form of resolution for conflicts that may arise between the issuer and Stockholders, between Stockholders and managers, or among Stockholders? (Measurement 41)</p>	X	
<p>Explanation*: Article 44 of the Company Bylaws - Dispute Resolution, establishes that: <i>"Any disputes arising during the development of the contract, between the Company and the Stockholders, or among Stockholders, that involve topics inherent to the contract, shall attempt to be resolved in the first instance by direct settlement, through the action of mediators, or conciliation. Settlement using these alternatives must be achieved within thirty (30) business days following the date upon which the grounds of the dispute are notified by one party to the other; otherwise, they will go to Arbitration. The thirty (30) day term may be extended by mutual agreement between the parties."</i></p>		
<p>Similarly, Chapter 4 of the Good Governance Code - Fair Treatment of Stockholders, Dispute Resolution, establishes that:</p> <p><i>"Any conflicts that occur between the Company and the Stockholders, or among Stockholders:</i></p> <ul style="list-style-type: none"> • Shall attempt to be resolved in the first instance by direct settlement, through the action of mediators, or conciliation with the participation of arbitration and conciliation centers, and • In the last instance, by an Arbitration Tribunal as established in Article 44 of the Company Bylaws - Dispute Settlement." 		

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Optional Question

Question 80

If there are corporate governance practices in addition to those recommended by the Code of Best Corporate Practices, the issuer may describe them in this section.

The Good Governance Code establishes several practices in addition to those established in Circular 28 of 2007, which include:

- Practices related to holding the General Stockholders' Meeting.
- Procedure for trading securities.
- The Company's framework of action, which basically consists of the Management Model that guides ISAGEN'S corporate management; the adoption of Corporate Responsibility as a basic principle of action; the Ethical Behavior Statement, which defines the ethical standards on which the Company and its employees base their professional, personal and institutional relationships; and the supplier selection criteria.
- Request, complaint and claim services for Stockholders or Investors.
- Control Mechanisms: The internal and external control mechanisms that the Company has in order to ensure its Corporate Purposes.
- Tax Inspection: The procedure to approve other services from the Tax Inspection firm and the mechanisms through which the findings of said entity are communicated.
- Compliance with the Good Governance Code: Mechanisms for when a Stockholder or Investor believes a regulation of the Good Governance Code has been ignored or violated.
- Contracting Manual. Comprehensive Risk Management.
- Corporate Ethics (Ethics Hotline and Ethics Committee).
- Measures to Prevent and Control Money Laundering and the Financing of Terrorism: The SIPLA Manual contains the regulations applicable to the Colombian Financial Superintendence and certain voluntary measures.
- Corporate Responsibility Practices.