

*Internal Rules of the Advisory Committee
Estrategias Inmobiliarias Trust*

**ADVISORY COMMITTEE INTERNAL OPERATING RULES
ESTRATEGIAS INMOBILIARIAS TRUST**



PEI

PATRIMONIO
ESTRATEGIAS
INMOBILIARIAS

JUNE 2016

Version approved by the Advisory Committee

***Advisory Committee Internal Rules
Estrategias Inmobiliarias Trust***

Contents

1. INTRODUCTION	3
2. ADVISORY COMMITTEE.....	3
3. ADVISORY COMMITTEE COMPOSITION AND APPOINTMENT OF ADVISORY COMMITTEE MEMBERS	3
4. POWERS OF THE ADVISORY COMMITTEE	5
5. MEETINGS.....	6
5.1. Follow-Up Meetings.....	6
5.2. Extraordinary Meetings	7
5.3. Strategic Meetings.....	7
6. INDEPENDENT MEMBERS COMPENSATION.....	7
7. MINUTES	8
8. REQUIREMENTS FOR THE PURCHASE AND SALES OF SECURITIES ISSUED BY PEI BY ADVISORY COMMITTEE MEMBERS, MANAGER AND MANAGEMENT AGENT EMPLOYEES.....	8
9. CLAUSE FOR THE PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING.....	11

***Advisory Committee Internal Rules
Estrategias Inmobiliarias Trust***

1. INTRODUCTION

The Advisory Committee of Estrategias Inmobiliarias Trust (“PEI” or the “Trust”) has updated this Internal Rules of the Advisory Committee (the “Rules”) approved by the aforementioned body in 2011, based on the highest corporate governance international and national standards and recommendations. This, because Estrategias Inmobiliarias Trust believes that the transparency with which it manages its businesses and the impartial and equal treatment of all the persons that, one way or another, interact with such committee, is an instrumental factor for purposes of the fulfillment of its duties.

The purpose of this Rules is to establish the principles, standards, and procedures that shall govern the Advisory Committee’s operation. These Rules shall individually apply to all of the Advisory Committee’s members, their personal alternates, and such collegial body, who shall be required to fulfill them.

The full text of these Rules is permanently available at PEI’s webpage (www.pei.com.co).

Capitalized terms not defined hereunder shall have the meaning assigned thereto under PEI’s Equity Securities Issuance and Placement Prospectus (the “Prospectus”)

If, for whatever reason, any mandatory provisions are in conflict with this Code, such provisions shall prevail. Also, if at any time the Prospectus is in conflict with this Rules, the Prospectus shall prevail.

2. ADVISORY COMMITTEE

Under the Prospectus, the Trust has an Advisory Committee consisting of five (5) principal members. The Advisory Committee makes the decisions in connection with the Permitted Investments, the Issuance Program, the purchase and sale of Real Estate Assets, and the Trust’s Financial Indebtedness, among others. These decisions shall be made within the guideline’s framework provided for in the Prospectus, the Trust Agreement, and this Rules.

3. ADVISORY COMMITTEE’S COMPOSITION AND APPOINTMENT OF ITS MEMBERS

The Advisory Committee shall consist of up to five (5) principal members and the personal alternates of the independent members, and the Manager’s representative, elected for two-year periods. The following will be members of the Advisory Committee:

***Advisory Committee Internal Rules
Estrategias Inmobiliarias Trust***

- The Investors Legal Representative;
- The Manager's representative and its/his/her personal alternate;
- The Manager's General Director; and
- Two independent professionals and their personal alternates

The Manager shall appoint the independent professionals, who will be jointly ratified by the Trustee and the Investors Legal Representative, following the procedure established herein. Also, the Advisory Committee may propose candidates to the Manager for their appointment as independent members of the Advisory Committee.

The members of the Advisory Committee, as well as the personal alternates of the independent members and the Manager's representative, shall be jointly ratified each year by the Advisory Committee. Likewise, the independent members shall annually ratify their capacity in the Advisory Committee, that is, whether they will continue to serve as members or personal alternates during the relevant year. The independent members and their personal alternates shall immediately inform the Advisory Committee of the occurrence or reasonably foreseeable occurrence of any situation affecting their independence, according to the criteria established in Act 964 of 2005.

The members of the Advisory Committee can only be ratified if they continue to comply with moral solvency criteria. Additionally, the independent members and their personal alternates shall maintain their condition of independence at all times. If an independent member or personal alternate loses such condition of independence, he/she shall be replaced.

Whenever an Advisory Committee member is appointed for the first time, he/she will be provided with sufficient information so as to gain the specific knowledge of the Trust and the sector where the Trust operates, as well as information on the position's responsibilities, obligations, and powers. Anyhow, the Advisory Committee's members shall be entitled to access the above information at any time.

The Advisory Committee will have a chairman that will be the Manager's representative and a secretary appointed by the Advisory Committee.

Under no circumstances will there be a number of members that are the Manager's employees, which collectively, at any session, may create amongst them deciding, general, or special majorities, as provided for in the Prospectus.

4. POWERS OF THE ADVISORY COMMITTEE

Notwithstanding the powers provided for in the Trust Agreement, the Prospectus, and the Code of Good Corporate Governance, the Advisory Committee shall have the following powers:

- Approve the Trust's portfolio composition as to the Permitted Investments;
- Cooperate with the Manager in the formulation of the Strategic Plan to be presented by the Manager on the Trust's management, which includes the issue of new Tranches; and decide on such plan's approval.
- Annually present the Trust's Strategic Plan to the Investors General Assembly;
- Approve any act or contract, disposal, or ownership limitation that the Manager or the Trustee will carry out or enter into, in the name of the Trust, whose amount, in legal tender, is equal to or exceeds five hundred (500) current legal monthly minimum salaries.
- Approve the Financial Indebtedness, in accordance with the guidelines in subparagraph 2.3.4 of the Prospectus.
- Identify, monitor, and mitigate PEI's main risks and approve the policies on risk management;
- Follow-up and control PEI's activities;
- Approve provisions to build Real Estate Assets;
- Propose modifications to the Trust Agreement and PEI's securities issuance programs;
- Approve the Liquidation Plan submitted by the Manager, submit information on such plan to the Investors General Assembly, and obtain ratification thereof, should the Trust need to be liquidated;
- Appoint the Placement Agent(s) for new tranches of PEI's securities issuance programs;

***Advisory Committee Internal Rules
Estrategias Inmobiliarias Trust***

- Approve the contracting of Commercial Appraisals whenever the same are not to be performed by a Real Estate Guild, but by one of its members, or certified by such guild, or by an appraiser registered with the Appraisers National Registry;
- Designate, whenever necessary, a new entity as beneficiary of the Trust;
- Approve the Trust's accounting policies;
- Approve and modify the Advisory Committee's internal operation rules;
- Approve and modify PEI's internal policies as deemed necessary by the Advisory Committee;
- Analyze the cases of conflict of interest that the Advisory Committee is competent for;
- Approve transactions with the Manager's Related Parties, pursuant to the terms described in the Transactions with Related Parties Policy.

5. MEETINGS

The Advisory Committee will validly deliberate and decide with the presence and the votes of a majority of its members. Additionally, the Advisory Committee may suggest the Manager to invite third parties to the Advisory Committee's meetings.

5.1. Follow-Up Meetings

The Advisory Committee will meet ordinarily, at least once a month, and may meet extraordinarily whenever requested in writing by any of its members or the Manager, at least five (5) calendar days in advance to the meeting's expected date.

The Manager shall deliver to the Advisory Committee's members all the relevant information for decision-making purposes, at least three (3) business days in advance to the meeting's expected date. The Manager shall deliver to the Advisory Committee's members, at least, a presentation with the topics to be discussed at the relevant meeting and the authorizations that will be submitted to this committee's consideration. The information shall be delivered to the email addresses provided by the Advisory Committee's members to the Manager.

***Advisory Committee Internal Rules
Estrategias Inmobiliarias Trust***

5.2. Extraordinary Meetings

The Advisory Committee may also meet without prior notice and anywhere, provided that all members acting as principals are present. The Advisory Committee may also meet by teleconference, in accordance with the rules applicable to such meetings.

The Advisory Committee may also validly decide when all of its principal members cast their votes in writing. If the Advisory Committee's members cast their votes in separate documents, such documents shall be received within a one-month period from the first communication received.

The chairman of the Advisory Committee shall inform the results of the decision to its members, within the five (5) days following the receipt of the documents with the corresponding votes.

The Advisory Committee's principal members and personal alternates shall keep themselves properly informed as to the matters submitted to the Advisory Committee's consideration, so that they have the knowledge required to fulfill their duties.

5.3. Strategic Meetings

The Advisory Committee's members shall meet, at least once (1) a year, to discuss strategic matters of interest for the Trust.

6. INDEPENDENT MEMBERS COMPENSATION

Under PEI's Code of Good Corporate Governance, the Manager will determine the amount payable to the Advisory Committee's independent members and their alternates. Such compensation consists of: (i) A fixed compensation increased on an annual bases in accordance with the Consumer Price Index (CPI) or the variable determined by the Advisory Committee; and (ii) A variable compensation that, as mentioned below, shall be subject to the members and alternates attendance to the meetings.

The fixed compensation shall be calculated per calendar year and will be paid monthly. On the other hand, the variable compensation shall be paid on a yearly basis.

The Advisory Committee's independent members and their alternates shall be paid additional fees for any Strategic and Extraordinary Meetings, equivalent to the monthly amount payable as fixed compensation. Also, attendance to each of these meetings shall be considered to calculate the variable compensation.

Advisory Committee Internal Rules
Estrategias Inmobiliarias Trust

The variable compensation shall be determined as follows:

- a. If at the end of the calendar year, the member of the Advisory Committee has attended at least 50% of the meetings, he/she shall be paid a premium equivalent to 33% of the annual fixed compensation; and
- b. If at the end of the calendar year, the member of the Advisory Committee has attended 66% or more of the meetings, he/she shall be paid a premium equivalent to 66% of the annual fixed compensation.

7. MINUTES

All of the Advisory Committee's meetings, deliberations, and decisions shall be recorded in a minute's book. The chair and the *ad-hoc* secretary of the relevant meeting shall sign the minutes.

The minutes of the decisions adopted through distance meetings or any other decision-making mechanisms, shall be prepared and recorded in the relevant book, within the thirty (30) days following the date when the agreement was reached.

8. REQUIREMENTS FOR THE ADVISORY COMMITTEE'S MEMBERS, THE MANAGER, AND THE MANAGER AND MANAGEMENT AGENT'S EMPLOYEES TO PURCHASE AND DISPOSE OF SECURITIES ISSUED BY PEI

Those members of the Trust's Advisory Committee and employees of the Manager or the Management Agent interested in acquiring or disposing of securities issued by PEI, shall comply with the following requirements:

- Authorization: The member of the Trust's Advisory Committee or employee of the Manager or Management Agent interested in acquiring or disposing of any securities issued by PEI, shall request the Advisory Committee's authorization, who shall approve such request with the favorable vote of two thirds (2/3) of its members. If an Advisory Committee's member requests the authorization, such member shall be excluded from both the discussion and the voting.

The authorization for the Advisory Committee's member or an employee of the Manager or Management Agent to purchase or dispose of securities issued by PEI shall be considered by the Advisory Committee in a meeting. The authorization shall be included in the authorization's section of the relevant Advisory Committee's meeting minutes.

The request for authorization shall be submitted in the form approved by the Advisory Committee.

Advisory Committee Internal Rules
Estrategias Inmobiliarias Trust

Similarly, the Advisory Committee's authorization shall be necessary whenever one of its members or an employee of the Manager or Management Agent wishes to indirectly acquire or dispose of securities issued by PEI, that is, through his/her family, spouse, Close Relatives¹ partnerships, or in general, individuals or entities with whom he/she constitutes an ultimate beneficiary.²

- Reasons for the purchase or disposal of securities issued by PEI: The underlying reasons for the purchase or disposal of securities issued by PEI cannot be speculation. Consequently, in the document through which the relevant member of the Advisory Committee or Manager or Management Agent's employee requests the authorization, must state that the reasons for the purchase or disposal of such securities is not speculation.

In order to prove that securities issued by PEI are not being purchased or disposed of for speculative reasons, the Advisory Committee's member or Manager or Management Agent's employee authorized by the Advisory Committee to purchase the securities, is advised to keep them for at one (1) year, at least, from the time when the *Depósito Centralizado de Valores* (DECEVAL) [Centralized Securities Deposit] records the relevant member as owner of the subscribed securities.

- Conflicts of Interest: The document through which the relevant member or employee requests the Advisory Committee's authorization to purchase or dispose of securities issued by PEI, shall include information on any situation that may create a conflict of interest. If the member or Manager or Management Agent's employee is not in a situation creating a conflict of interests, it shall inform it in the relevant request.
- Financial conditions for the purchase of securities issued by PEI: The conditions under which a member of the Advisory Committee or employee of the Manager or Management Agent is to acquire securities issued by PEI, shall correspond to the market's conditions

¹ Under the definition in IAS 24, "Close Family Members" are deemed, "those members of the family that may influence or be influenced by that person in his/her dealings with the entity. These may include: (a) The person's spouse or partner and the children; (b) The children of the person's spouse or partner; and (c) The dependents of the person or the person's spouse or partner"

² The ultimate beneficiary is any person or group of persons that, directly or indirectly, by itself or through a third party, by virtue of contract, agreement, or otherwise, has in relation to a company share, or may have as the owner of bonds mandatorily convertible into shares, decision-making capacity; this is, the power or right to vote in the managers or representatives elections, or to direct, guide, or control such vote, as well as the power or right to sell and order the sale or encumbrance of such share. For purposes of this decree, one same ultimate beneficiary are the spouses or partners and family members up to the second degree of consanguinity, second degree of affinity, and first degree of kinship by adoption, unless evidenced that they are acting with independent economic interests, circumstance that may be declared under oath before the Financial Superintendency of Colombia, solely for evidentiary purposes. Likewise, one same ultimate beneficiary are the parent companies and their affiliates. A person or a group of persons is deemed the ultimate beneficiary of a share if it is entitled to acquire its ownership by exercising the rights arising from a guarantee, repurchase agreement, trust business, or any other agreement with similar effects, unless the same do not grant any political rights.

***Advisory Committee Internal Rules
Estrategias Inmobiliarias Trust***

and prices, to the extent that PEI's securities are listed in the Colombian Stock Exchange. As regards to the Securities, their primary market reference price will be certified by the Management Agent and such requirement shall be deemed complied if the Securities are acquired at the price certified by the Management Agent. As to acquisitions in the secondary market, the Securities shall be acquired at the reference price determined by the market.

- **Maximum amount:** No member of the Advisory Committee or employee of the Manager or Management Agent may acquire a number of Securities or Ordinary Bonds representing more than 1% of the TEIS or Ordinary Bonds outstanding.
- **Information Duty:** The Advisory Committee's member or Manager or Management Agent's employee acquiring or disposing of securities issued by PEI, shall inform the Management Agent each time that it acquires or disposes of securities issued by PEI, in accordance with the Advisory Committee's authorization.

Likewise, when acquiring or disposing of securities issued by PEI, the members of the Advisory Committee shall consider the following aspects:

- **Use of Insider Information:** To the extent that members of the Advisory Committee will have access to information that, neither the investors, nor the public know first-hand, it is very important to consider the use of such information by the members, particularly when they acquire securities issued by PEI. This, to the extent that the member acquiring such securities would simultaneously act as Manager and investor, which thus implies that this information must be managed with utmost caution.

Notwithstanding the above and for the sake of clarity, this obligation as to the use of insider information exists regardless of whether a member of the Advisory Committee decides or not to purchase TEIS.

- **Information Disclosure:** The purchase of securities issued by PEI by any member of the Advisory Committee shall be informed to the market. Likewise, the authorization for the purchase of such securities, granted by the Advisory Committee to a member, shall be informed to the market through the Management Agent. Thus, the market shall be informed about: (i) The authorization for the purchase of PEI's securities, granted by the Advisory Committee to a member; and (ii) The authorized member's acquisition or disposal of the securities issued by PEI, pursuant to the authorization.

When any member indirectly acquires or disposes of securities issued by PEI, that is, whenever it does so through the family, his/her spouse, or family members' companies up to the fourth degree of consanguinity, second degree of affinity or, in general, through individuals or entities with whom the member constitutes one and the same ultimate beneficiary.

9. CLAUSE ON ANTI- MONEY LAUNDERING AND ANTI-TERRORISM FINANCING

The Advisory Committee's member declares under oath that the destination of the resources, funds, monies, assets, or goods received in his/her capacity as member of the Advisory Committee will not be used to finance terrorist or other criminal activities, in accordance with the criminal laws in force in Colombia and regardless of any relevant legal actions derived from any failure to comply with this clause. For this purpose, the member of PEI's Advisory Committee agrees to abide by the requirements imposed under the SAGRLAFT – Self-Control Risk Management System on Money Laundering and Terrorism Financing, which include the delivery of the relevant supporting documentation and annual information updates.

The Member of PEI's Advisory Committee warrants that, in furtherance of the capacity as member of the aforesaid committee, he/she will not enter into contracts nor have any links with third parties conducting illegal activities or whose resources are derived from any illicit activities contemplated in the Colombian Criminal Code or any law substituting, supplementing, or amending it, particularly crimes relating to money laundering, terrorism financing, or any other source crimes.

The Member of PEI's Advisory Committee warrants that he/she is not designated or mentioned in any international lists binding for Colombia under the international law (United Nations Security Council lists), the OFAC lists, any other international or local inhibiting lists, or in the media or public databases dealing with information on money laundering, terrorism financing, or other source crimes; and PEI shall be entitled to carry out any verifications it deems pertinent and terminate any business or legal relationship, with cause and not being required to pay any amount whatsoever as compensation or otherwise, if it establishes that the Member of PEI's Advisory Committee is included in any of the above lists or mentioned in any media or public databases.

The member of PEI's Advisory Committee represents that there are no criminal investigations on money laundering, terrorism financing, source crimes, or assets' seizure proceedings against him/her, and PEI is authorized to conduct any verifications deemed pertinent and to terminate any commercial or legal relationship, with cause and without being bound to recognize any amount as indemnification or otherwise, if finding that the Member of PEI's Advisory Committee is a subject of criminal investigation or ownership extinction proceedings that may expose PEI to legal, reputational, tarnishment, and operational risks.

The Member of PEI's Advisory Committee shall immediately inform Terranum Inversión S.A.S. and Fiduciaria Corficolombiana S.A., upon becoming aware of any of the above described circumstances.

PEI is authorized to unilaterally remove the Member of PEI's Advisory Committee upon the occurrence of any of the above events.