

REPORT

AUDIT COMMITTEE OF CORFERIAS

January 2019 - January 2020

For the period from January 2019 to February 2020, the Audit Committee appointed by the Board of Directors was comprised of Doctors María del Rosario Sintes Ulloa, Juan Diego Trujillo and Gilberto Gómez Arango (Chairman) until November 2019.

The Committee held five (5) meetings during the indicated period and complied with the functions established in the corresponding Regulations and the Law, and in particular it reviewed and evaluated the following corporate information:

1. Financial Statements as of December 31, 2019
2. Audit Plan of the Statutory Auditor's Office 2019.
3. Work Plan for Internal Audit 2019.
4. Periodic Reports of Internal Audit and the Office of the Inspector General
5. Report of the Compliance Officer of Corferias.
6. Compliance with International Financial Reporting Standards.
7. Strategic Risk Matrix Review.
8. Progress on the Business Continuity Plan.
9. Implementation Report on the Relevant Information Process.
10. Policy, Processes and Structure of the Assurance Function (internal control) and Risk Management.
11. Risk Management of Disruptions to Public Order Resulting from Social Protests.
12. Budgetary and financial monitoring scheme.

1. Financial Statements as of December 31, 2019.

Based on the report presented by Management at the meeting held on January 28, 2020, the Audit Committee notes that the Financial Statements of Corferias with a cutoff date of December 31, 2019 are in accordance with legal provisions and compliance with IFRS standards. Therefore, the Committee recommends that they be presented to the Board of Directors, and then submitted to the General Shareholders' Meeting in March, at its regular meeting.

2. Audit Plan of the Statutory Auditor's Office 2019

The Statutory Auditor's Office presented the Committee with the 2019 work plan, the progress of which was shared with the Committee in the meetings held during the period. In the final report, the Office of the Auditor General stated that several recommendations and suggestions were submitted to the Administration of Corferias

during 2019, and that the latter accepted them as appropriate and that all the activities necessary to comply with them have been carried out. He explained that the different areas of Corferias responded satisfactorily to the recommendations made and that they have advanced the respective action plans in order to improve and strengthen internal processes.

3. Work Plan for Internal Audit 2019.

The Internal Audit in support of the compliance with the Corporation's objectives; during 2019 it fully executed the Annual Audit Plan approved by the Audit Committee, identifying strengths and improvement opportunities, through activities such as

- Validation of compliance with procedures and policies established for inventory control, warehouse management.
- Compliance with regulations associated with the Occupational Health and Safety Management System.
- Implementation of the controls defined for the execution of fairs based on the risk matrix; as well as, compliance with policies for the execution of events.
- Monitoring the functioning of the structure of the Internal Control System in its different components; as well as the compliance with policies, mechanisms and instruments established for the implementation and execution of the Integral System for the Prevention and Control of Money Laundering and Terrorism Financing.
- Verification of compliance with the good corporate practices established in the Code of Ethics and Good Governance
- Review of the activities carried out in the execution of strategic projects.
- Verification in the prior control of invoices greater than two (2) S.M.M.L.V. of compliance with the policies defined and the regulations in force; as well as in the random review of the lower accounts.
- Sensitization of the enablers to the principles of Self-Regulation, Self-Management and Self-Control, for the daily development of their functions.
- Communication with the auditees on the results of the audits carried out for the purpose of continuous improvement.

4. Periodic reports from the Internal Audit and the Fiscal Review.

During the period, both the Internal Audit and the Fiscal Review presented reports on the progress of their work, as well as on the main findings made and the corrective measures implemented by the Administration.

In addition, at the January 28, 2020 session, the Internal Audit Office presented its Final Report for 2019 and its Work Plan for 2020. Similarly, at the aforementioned session, the Statutory Auditor's Office presented its Final Report for 2019, as well as the draft report that will be presented to the Board of Directors, for its subsequent presentation at the General Shareholders' Meeting in March.

5. Report of the Compliance Officer of Corferias

Throughout 2019 the Compliance Officer presented to the Committee the status of compliance with SIPLA by the Corporation. Additionally, in its session of January 28, 2020, the Committee was informed of the closing report on SIPLA compliance, in which it was announced that during 2019 no suspicious or unusual operations

were detected in the transactions made by the shareholders of the entity, nor by its employees, nor by the exhibitors as such.

Similarly, he explained that throughout 2019 all reports and respective reports were submitted to the UIAF and the respective authorities in due form and within the legal opportunity, for this purpose without any news so far for Corferias.

6. Compliance with International Financial Reporting Standards.

In accordance with legal provisions, the Committee was regularly informed of the Corporation's compliance in the management of its accounting records based on International Financial Reporting Standards.

7. Strategic Risk Matrix Review.

Management presented the Audit Committee with the report showing the standard methodology for risks and opportunities used by Corferias, which is divided in four steps: (i) identify the risk (process, project, product), (ii) evaluate that risk (probability, impact), (iii) define the actions, measures or controls for treatment and (iv) make a follow-up and control activity, being a permanent cycle.

It was reported that Corferias has a matrix of strategic risks that is constantly updated with the evolution of the operation, generating new risks and eliminating others. Risks were identified from the financial, normative/legal, physical infrastructure, market, product and customer points of view, in the area of operations and security and reputational risk. In addition, action and mitigation plans were presented in relation to the identified risks, establishing the actions and activities to be carried out to mitigate them.

It was mentioned that the above mentioned strategic risk matrix was updated in light of the new projects and that work will continue in all dimensions. In this regard, it was stated that of the existing risks, in terms of probability and impact, 8 were classified as high and therefore they are permanently monitored at the fairs and events. These risks are: (i) the capacity, especially in massive fairs such as the book fair; (ii) the electrical part, since the networks are exposed and are intervened by third parties; (iii) public health, referring to the sanitary management and the sanitation plan, especially when third parties or exhibitors commercialize food and beverages within the enclosure; (iv) relations with the community due to the impact generated on the issue of noise, associated with the Tent of the Americas; the remaining risks are related to the issues of cannibalization of the enclosures, repurchase and the integration of data sources.

8. Progress on the Business Continuity Plan

The Administration presented to the Audit Committee the progress of the Business Continuity Plan, establishing that a Business Continuity Plan refers to the possibility of having an action plan or a contingency plan, based on the risk scenario, that allows at any time or critical situation to give continuity to the operation of Corferias. Likewise, business continuity is understood as that corporate strategy on which the company guarantees that the incidents that affect its operation do not affect the provision of the service or that the provision of the service is restored in the shortest time possible.

It was reported that Corferias' continuity plan has 4 key objectives: (i) to allow business operations to continue under adverse conditions, through recovery strategies and business continuity plans, (ii) to allow the continuity of the operation of the critical services we provide to our customers in the face of crisis situations, (iii) to ensure that Corferias is prepared to respond to a crisis or emergency, in order to recover from the critical event, and (iv) to ensure that the continuity plans are viable to the needs and priorities of the business.

It was mentioned that the plan has been structured and managed for approximately 18 months, assigning roles to Corferias' directors for its management and development in order that, in the event of a major failure or total disaster, the Corporation with the business continuity plan is in a position to: 1) identify potential impacts that

may threaten the organisation, 2) determine the resilience and recovery framework, 3) identify and protect the operation of business processes, and 4) safeguard the reputation and interests of shareholders.

All the possible cases in which the service could be affected were identified and from these cases the processes under which this type of circumstances will be handled were defined, determining the critical functions, the impact of these on the business, the recovery times for the development of the strategies that guarantee the continuity and the stages of the process of implementation of the plan.

The Audit Committee highlighted the management of the Administration for the development of this work.

9. Report on the Implementation of the Relevant Information Process.

Management informed that the Superintendence of Finance of Colombia (SFC) started an investigation against Corferias, headed by the Executive President as legal representative, for not having timely reported what they considered relevant information (IR), from which the issue of legal interpretation is highlighted, since in some cases the question arises as to when it is understood that information must be reported, with different points of view from Corferias and the Superintendence. Because of what happened, the process of reporting relevant information was documented and a structure was created to ensure that this type of situation does not recur.

Corferias adopted a work plan to strengthen the relevant information process, creating three main activities: (i) policy for the reporting of relevant information, (ii) procedure for the reporting of relevant information, and (iii) manual for the management, control and follow-up of relevant information. The policy and a manual were drafted and are in the implementation, training and development phase.

Since Corferias is a corporation that quotes stock in the stock market, it has a series of regulatory provisions related to the reporting of relevant information to the public stock market, and for this reason the Corporation considered it convenient to establish a policy for the reporting of relevant information that looks for establishing the guidelines for the generation of the Corporation's Relevant Information reports to the Superintendence and consequently determine the activities that must be carried out and those responsible for complying with them.

The Audit Committee was presented with: i) the policy development phases, their duration and responsible parties, ii) the procedure for information reporting and iii) the manual for the management, control and follow-up of IR, that includes the guiding principles for the action of Corferias' management and its officials with respect to those events that may be considered as relevant information.

Finally, the IR process is based on 3 stages or moments clearly identified as (i) the constant monitoring of activities or events that could be IR in light of the provisions of Decree 2555 of 2010; (ii) the identification of the information or event that can be catalogued as relevant information, and (iii) the reporting of information within Corferias and subsequently to the general public through a IR notification in the system.

10. Policy, Processes and Structure of the Assurance Function (internal control) and Risk Management.

Management presented to the Audit Committee the risk management model implemented by Corferias that seeks to support the Corporation's Management to proactively face risks, and thus guarantee compliance with strategic objectives; said model is based on the 5 assurance lines: i) strategic and operative management, ii) risk management and compliance, iii) internal audit, iv) General Management and (v) Audit Committee together with the Board of Directors.

The last two lines within the model presented are of great importance for the audit function that the Corporation has been building, giving it a strategic level in which the Board of Directors plays a fundamental role defining

risk policy, guaranteeing the existence of an adequate internal control system and architecture, monitoring the self-control culture within the company and thus allowing having tools to comply with its insurance function.

The Administration informs that, for the adoption of the risk management model, all processes are documented, have elements of self-control, self-management and self-regulation, with a specific person responsible and have two people from the management level who are in charge of leading the whole process of revitalization of risk management, facilitating and advising on the implementation of effective practices. In addition to the above, Corferias has been strengthening the internal audit function, all of which is aimed at providing the Committee with elements that allow it to guarantee that Corferias has an internal control system, a risk management methodology and an audit that is adequate, effective and efficient, taking into account the co-responsibility that it has as an administration.

The Committee highlighted the report presented and recognizes the progress and maturity that has been achieved in this Committee.

11. Management of Risks Derived from Disruptions to Public Order Resulting from Social Protests

Taking into account the public order situation generated by the National Strike that began on November 21, 2019, Management presented a report to the Audit Committee in order to inform about its handling of this circumstance.

Additionally, it is reported that the uncertainty caused by the public order disturbances generated cancellations of events already contracted, facts that were given commercial management in order to keep traditional customers.

Finally, all the information implied for the Administration a whole management element, which led to the activation of the Crisis Committee with which Corferias has and of which the President of Corferias, the Vice President, the Director of Risks and Operations, the Director of Communications, the Head of Security and the Project Manager of the respective Fair, if applicable, are part. Likewise, it was considered that this is a situation that tends to become usual for Corferias, due to the fact that it is a place of concentration with great affluence of people. The Audit Committee suggested that a more in-depth analysis be carried out in order to determine the structural changes that should be made in Corferias to face this new reality.

12. Budget and financial monitoring scheme.

The Administration presented to the Audit Committee in development of the business strategy, and the review of the periodic financial statements, the behavior of the fairs, events and different business units.

The financial statements were followed up throughout the year in a disaggregated manner as proposed and the execution was compared with the approved budget for the same year.

CONCLUSIONS

The evaluation of all this information, based on the periodic reports submitted by Management, the Internal Audit and the Statutory Auditor's Office, allows the Audit Committee to conclude that within the framework of the information provided and known by the Committee, for the year 2019, the Corporación de Ferias y Exposiciones S.A. Free Trade Zone User-Operator has a reliable internal control system; its Internal Audit Department adequately exercises its tasks with the due autonomy and independence; the Administration satisfactorily attends to the requirements of the Statutory Auditor Office and the Internal Audit Department; the Financial Statements reflect the financial information of the Corporation, and the entity has controls that have prevented the occurrence of illicit activities such as money laundering with respect to its investors.

Therefore, based on the aforementioned and within the information scope known to the Committee, it is evidenced that the Administration of Corferias has sufficient internal control systems that respond to the needs of the entity, without detriment of the improvement actions that may be printed on them; and they are adequately applied by the personnel, which provides reasonable security for the adequate compliance with corporate objectives.

Additionally, the commitment of the Administration in the development and execution of the various projects undertaken is evident, which is printed with processes of monitoring and control, which allows for peace of mind in the execution of the same.