

## **CORPORATE GOVERNANCE GUIDELINES**

Tecnoglass Inc. (the “Company”) is committed to good corporate governance practices that promotes long-term relationships with our stakeholders, directed by a strong Board of Directors and management accountability, under the umbrella of best practices and international standards, which is intended to develop in sustainable public trust in the Company.

The Company’s corporate governance includes an Amended and Restated Memorandum and Articles of Association, the Company’s Code of Conduct, and these Corporate Governance Guidelines, as amended from time to time.

The Board of Directors (“Board”) of the Company has adopted these guidelines as part of its continuing efforts to enhance and promote good corporate governance, guidelines that can be reviewed and amended as deemed necessary and appropriate. These guidelines establish a framework for an effective and transparent governance of the Company, setting the Board’s mission, composition, independent membership, Director’s responsibilities and duties, Board Committee’s and structure, Chief Officer positions, corporate sustainability and ethics and compliance matters.

### **A. CORPORATE FRAMEWORK**

The Company seeks to have its officers, directors and employees lead by example and understands that in a changing world, in order to thrive, the Company shall be versatile and able to change and adapt its business to the world’s needs.

#### **The Company’s Vision**

The Company’s vision is to be a worldwide leader with the highest quality products and service, supported by highly trained and motivated employees who embody this mission.

#### **The Company’s Mission**

Our mission is the transformation of glass using superior manufacturing technology. We also strive to fulfill our customers’ quality and service expectations while maintaining our competitiveness through empowerment. This contributes to our company’s growth and prosperity, while adequately and fairly compensating the members of our organization, their families, our stockholders and society.

### **B. CORPORATE STRUCTURE**

#### **1. SHAREHOLDERS**

Shareholders’ rights are derived from the Company’s Amended and Restated Memorandum and Articles of Association and applicable laws. Shareholders are entitled to equal treatment and access to information, no matter their participation or number of shares held in the Company.

The Company shall maintain or cause to be maintained an updated Shareholder's registry in accordance to the applicable laws so that shareholders' holdings are properly evidenced.

## **2. BOARD OF DIRECTORS**

The Board of Directors is elected by the shareholders and may exercise all the powers in the Company, overseeing their interest in the long-term and the overall success of the Company's performance and financial stability. The Board of Directors is the ultimate decision-making body of the Company, except for those powers reserved to the shareholders. Compensation in favor of Board Members shall be approved by the majority of the full Board in accordance to the Amended and Restated Memorandum and Articles of Association of the Company.

The Board shall periodically review and reassess the adequacy of these guidelines and implement any proposed changes. The Board and each of its Committees' shall annually review its own performance.

### **2.1.Members and qualifications**

The Board of Directors ("Directors" or "Members") shall be composed of a number of members as determined from time to time, with a majority of such members being deemed "independent" in accordance with the listing standards of The NASDAQ Stock Market, LLC, as amended from time to time. The Board of Directors at any time may decide, in accordance to the Amended and Restated Memorandum and Articles of Association to increase or decrease the number of members. Guidelines as to how to elect and what qualifications are required from Board members will be determined by the Nominating Committee. The term of election of the members of the Board will be in accordance to the Company's Amended and Restated Memorandum and Articles of Association and as may be regulated from time to time by the Nominating Committee.

### **2.2.Directors' responsibilities**

The main responsibility of the Directors is to exercise their business judgment to act in what they believe to be in the best interests of the Company and its shareholders. Directors have fiduciary duties towards the Shareholders and shall act in accordance with applicable laws and regulations.

The Board selects and oversees the members of the first level of senior management who are in-charge of conducting every-day business of the Company. The Board acts as counsel to the Officers of the Company, mainly to the Chief Executive Officer. The Board shall oversee maintenance of appropriate financial policies, internal controls and compliance within the legal framework and through proper governance.

In delegating their duties, Directors may rely on senior executives and outside counsels. The Board shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors.

Directors will have full and free access to the Company's officers, employees, books and records. Any meetings or contact that any of the Board members may require, shall be arranged through the Company's

Chief Financial Officer or General Counsel. Directors' should use their best judgment as to not disrupt business operations.

The Board of Directors is responsible for ensuring management succession and therefore shall periodically review the Company's succession plan and strengthen its weakness.

### **2.3.Meetings**

The Board shall meet as often as it determines, but not less frequently than quarterly. The Directors may request any officer, employee or outside counsel to attend a meeting. Minutes of the Meetings shall be recorded in Company's books.

Actions of the Board may be taken in person at a meeting or in writing without a meeting. Actions taken at a meeting, to be valid, shall require the approval of a majority of the members present and voting. Actions taken in writing, to be valid, shall be signed by all members.

If at any time during the exercise of his or her duties, a member of the Board has a direct conflict of interest with respect to an issue subject to determination or recommendation, such member shall abstain from participation, discussion and resolution of the instant issue, and the remaining members of the Board shall discuss and decide on the issue in hand. The Board shall be able to make waivers and or accept that the Board member sits in the meeting, taking precautionary measures as deemed appropriate to guarantee the transparency in the decision-making process and shareholders' interest.

## **3. COMMITTEES OF THE BOARD**

### **3.1.Audit Committee**

#### Purpose

The purpose of the Audit Committee (the "Audit Committee") of the Board is to assist the Board in monitoring (1) the integrity of the annual, quarterly and other financial statements of the Company, (2) the independent auditor's qualifications and independence, (3) the performance of the Company's independent auditor and (4) the compliance by the Company with legal and regulatory requirements. The Audit Committee also shall review and approve all material or significant related-party transactions.

The Audit Committee shall prepare the report required by the rules of the Securities and Exchange Commission ("Commission") to be included in the Company's annual proxy statement.

#### Committee Membership

The Audit Committee shall consist of no fewer than three members, absent a temporary vacancy. The Audit Committee shall meet the "Audit Committee Requirements" of The NASDAQ Stock Market,

LLC and the independence and experience requirements of Section 10A(m)(3) of the Securities Exchange Act of 1934 (“Exchange Act”) and the rules and regulations of the Commission.

The members of the Audit Committee shall be appointed by the Board from its members. The Audit Committee members may be replaced at any time by the Board. There shall be a Chairman of the Audit Committee which shall also be appointed by the Board. The Chairman of the Audit Committee shall be a member of the Audit Committee and, if present, shall preside at each meeting of the Audit Committee. He shall advise and counsel with the executives of the Company, and shall perform such other duties as may from time to time be assigned to him by the Audit Committee or the Board of Directors.

### Meetings

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Audit Committee shall meet as deemed necessary with management and the independent auditor, if possible in separate executive sessions. The Audit Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. Minutes of the Meetings shall be recorded in Company’s books.

### Committee Authority and Responsibilities

The Audit Committee shall have the sole authority to appoint or replace the independent auditor. The Audit Committee shall be directly responsible for determining the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.

The Audit Committee shall pre-approve all auditing services and permitted non-audit services to be performed for the Company by its independent auditor, including the fees and terms thereof (subject to the *de minimus* exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Audit Committee prior to the completion of the audit). The Audit Committee may form and delegate authority to subcommittees of the Audit Committee consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to (i) the independent auditor for the purpose of rendering or issuing an audit report and (ii) any advisors employed by the Audit Committee.

The Audit Committee shall make regular reports to the Board. The Audit Committee shall review and reassess the adequacy of its functions, responsibilities and internal charter and recommend any proposed changes to the Board for approval. The Audit Committee annually shall review the Audit Committee's own performance.

Among the Audit Committee's responsibilities are the review of the financial statements and disclosure of information, that in order to overlook the Company's best interest at all time, the Audit Committee shall:

1. Meet with the independent auditor prior to the audit to review the scope, planning and staffing of the audit.
2. Review and discuss with management and the independent auditor the annual audited financial statements, and recommend to the Board whether the audited financial statements should be included in the Company's Annual Report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of the Form 10-K).
3. Review and discuss with management and the independent auditor the Company's quarterly financial statements prior to the filing of its Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements.
4. Discuss with management and the independent auditor, as appropriate, significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including:
  - a. any significant changes in the Company's selection or application of accounting principles;
  - b. the Company's critical accounting policies and practices;
  - c. all alternative treatments of financial information within GAAP that have been discussed with management and the ramifications of the use of such alternative accounting principles;
  - d. any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies; and
  - e. any material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
5. Discuss with management the Company's earnings press releases generally, including the use of "pro forma" or "adjusted" non-GAAP information, and any financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be general and include the types of information to be disclosed and the types of presentations to be made.
6. Discuss with management and the independent auditor the effect on the Company's financial statements of (i) regulatory and accounting initiatives and (ii) off-balance sheet structures.
7. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
8. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
9. Review disclosures made to the Audit Committee by the Company's Chief Executive Officer and

Chief Financial Officer (or individuals performing similar functions) during their certification process for the Form 10-K and Form 10-Qs about any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting.

10. At least annually, obtain and review a report from the independent auditor, consistent with the rules of the Public Company Accounting Oversight Board, regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues and (d) all relationships between the independent auditor and the Company. Evaluate the qualifications, performance and independence of the independent auditor, including whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management and the internal auditor. The Audit Committee shall present its conclusions with respect to the independent auditor to the Board.
11. Verify the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.
12. Oversee the Company's hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the Company.
13. Be available to the independent auditor during the year for consultation purposes.
14. Obtain assurance from the independent auditor that Section 10A(b) of the Exchange Act has not been implicated.
15. Review and approve material or significant related-party transactions.
16. Inquire and discuss with management the Company's compliance with applicable laws and regulations and with the Company's Code of Conduct and ethics and compliance program in effect at such time, if any, and, where applicable, recommend policies and procedures for future compliance.
17. Review and approve procedures (which may be incorporated in the Company's Code of Conduct, in effect at such time, if any) for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or reports which raise material issues regarding the Company's financial statements or accounting policies.
18. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.
19. Discuss with the Company's General Counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.
20. Review and approve material payments made to the Company's officers and directors or its or their affiliates when not part of ordinary course of business. Any payments made to members of the Audit Committee will be reviewed and approved by the Board, with the interested director or directors abstaining from such review and approval.

### Limitation of Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth herein, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

### **3.2.Nominating Committee**

#### Purpose

The Nominating Committee shall, among other things, discharge the responsibilities of the Board relating to the appropriate size, functioning and needs of the Board including, but not limited to, recruitment and retention of high quality Board members and committee composition and structure. Whenever the Nominating Committee takes an action, it shall exercise its independent judgment on an informed basis that the action is in the best interests of the Company and its shareholders.

#### Committee Membership

The Nominating Committee shall consist of at least two members of the Board as determined from time to time by the Board. Each member shall be "independent" in accordance with the listing standards of The NASDAQ Share Market, LLC, as amended from time to time.

The Board shall elect the members of this Nominating Committee and may make changes from time to time pursuant to the provisions below. Unless a chair is elected by the Board, the members of the Nominating Committee shall designate a chair by majority vote of the full Nominating Committee membership, designation that can be made permanent or for each meeting.

A Nominating Committee member may resign by delivering his or her written resignation to the chairman of the Board, or may be removed by majority vote of the Board by delivery to such member of written notice of removal, to take effect at a date specified therein, or upon delivery of such written notice to such member if no date is specified.

#### Meetings

The Nominating Committee shall meet at such times as it deems necessary to fulfill its responsibilities, but in no case less than one time per calendar year. Meetings of the Nominating Committee shall be called by the chairman of the Nominating Committee upon such notice as is provided for in the memorandum and articles of association of the Company with respect to meetings of the Board. A majority of the members shall constitute a quorum. Actions of the Nominating Committee may be taken in person at a meeting or in writing without a meeting. Minutes of the meetings whether in person or in writing shall be kept in Company's books. Actions taken at a meeting, to be valid, shall require the approval of a majority

of the members present and voting. Actions taken in writing, to be valid, shall be signed by all members of the Nominating Committee. The Nominating Committee shall report its minutes from each meeting to the Board.

The chairman of the Nominating Committee may establish such rules as may from time to time be necessary or appropriate for the conduct of the business of the Nominating Committee. At each meeting, the chairman shall appoint as secretary a person who may, but need not, be a member of the Nominating Committee. A certificate of the secretary of the Nominating Committee or minutes of a meeting of the Nominating Committee executed by the secretary setting forth the names of the members of the Nominating Committee present at the meeting or actions taken by the Nominating Committee at the meeting shall be sufficient evidence at all times as to the members of the Nominating Committee who were present, or such actions taken.

#### Committee Authority and Responsibilities

1. Developing the candidate guidelines, criteria and qualifications for membership on the Board.
2. Recruiting, reviewing and nominating candidates for election to the Board or to fill vacancies on the Board.
3. Reviewing candidates proposed by shareholders, and conducting appropriate inquiries into the background and qualifications of any such candidates.
4. Establishing subcommittees for the purpose of evaluating special or unique matters.
5. Monitoring and making recommendations regarding committee functions, contributions and composition.
6. Evaluating, on an annual basis, the Nominating Committee's performance.

The Nominating Committee shall prepare a statement each year concerning its compliance with this charter for inclusion in the Company's proxy statement.

#### Candidate Guidelines

The Nominating Committee will identify, evaluate and recommend candidates to become members of the Board with the goal of creating a balance of knowledge and experience. Nominations to the Board may also be submitted to the Nominating Committee by the Company's shareholders in accordance with the Company's policy, described herein. Candidates will be reviewed in the context of current composition of the Board (including the diversity in background, experience and viewpoints of the Board), the operating requirements of the Company and the long-term interests of the Company's shareholders. In conducting this assessment, the Nominating Committee will consider and evaluate each director-candidate based upon its assessment of the following criteria:

- Whether the candidate is independent pursuant to the requirements of the NASDAQ Capital Market.
- Whether the candidate is accomplished in his or her field and has a reputation, both personal and professional, that is consistent with the image and reputation of the Company.

- Whether the candidate has the ability to read and understand basic financial statements. The Nominating Committee also will determine if a candidate satisfies the criteria for being an “audit committee financial expert,” as defined by the Securities and Exchange Commission.
- Whether the candidate has relevant experience and expertise and would be able to provide insights and practical wisdom based upon that experience and expertise.
- Whether the candidate has knowledge of the Company and issues affecting the Company.
- Whether the candidate is committed to enhancing shareholder value.
- Whether the candidate fully understands, or has the capacity to fully understand, the legal responsibilities of a director and the governance processes of a public company.
- Whether the candidate is of high moral and ethical character and would be willing to apply sound, objective and independent business judgment, and to assume broad fiduciary responsibility.
- Whether the candidate has, and would be willing to commit, the required hours necessary to discharge the duties of Board membership.
- Whether the candidate has any prohibitive interlocking relationships or conflicts of interest.
- Whether the candidate is able to develop a good working relationship with other Board members and contribute to the Board’s working relationship with the senior management of the Company.
- Whether the candidate is able to suggest business opportunities to the Company.

#### Shareholder Recommendations for Directors

Shareholders who wish to recommend to the Nominating Committee a candidate for election to the Board should send their letters to Avenida Circunvalar a 100 mts de la Vía, Barrio Las Flores Barranquilla, Colombia, Attention: Nominating Committee. All such letters will be promptly forwarded to the members of the Nominating Committee. Shareholders must follow certain procedures to recommend to the Nominating Committee candidates for election as directors. In general, in order to provide sufficient time to enable the Nominating Committee to evaluate candidates recommended by shareholders in connection with selecting candidates for nomination in connection with the Company’s annual general meeting of shareholders, the Company must receive the shareholder’s recommendation no later than thirty (30) days after the end of the Company’s fiscal year.

The recommendation must contain the following information about the candidate:

- Name;
- Age;
- Identification;
- Business and current residence addresses, as well as residence addresses for the past 20 years;
- Principal occupation or employment and employment history (name and address of employer and job title) for the past 10 years (or such shorter period as the candidate has been in the workforce);
- Educational background;
- Permission for the Company to conduct a background investigation, including the right to obtain education, employment and credit information;

- The number of shares of common share of the Company beneficially owned by the candidate;
- The information that would be required to be disclosed by the Company about the candidate under the rules of the SEC in a Proxy Statement soliciting proxies for the election of such candidate as a director (which currently includes information required by Items 401, 404 and 405 of Regulation S-K); and
- A signed consent of the nominee to serve as a director of the Company, if elected.

### 3.3.Compensation Committee

#### Purpose

The Compensation Committee is appointed by the Board of Directors for the purposes of, among other things, (a) discharging the Board's responsibilities relating to the compensation of the Company's chief executive officer (the "CEO") and other executive officers of the Company, (b) administering or delegating the power to administer the Company's incentive compensation and equity-based compensation plans and (c) if required by applicable rules and regulations, issuing a "Compensation Committee Report" to be included in the Company's annual report on Form 10-K or proxy statement, as applicable.

#### Committee Membership

The Compensation Committee shall be comprised of two or more members (including a chairperson), all of whom shall be "independent directors," as such term is defined in the rules and regulations of the Nasdaq Stock Market. Notwithstanding the foregoing, at any time and so long as the Company is a "controlled company" as such term is defined in Rule 5615(c)(1) of the Nasdaq Stock Market, the Compensation Committee may have as one of its members a "non-independent director" pursuant to the exemption under Rule 5615(c)(2) of the Nasdaq Stock Market for controlled companies. In addition, the Compensation Committee may have as one of its members a "non-independent director" under exceptional and limited circumstances pursuant to the exemption under Rule 5605(d)(2)(B) of the Nasdaq Stock Market. At least two of the Compensation Committee members shall be "non-employee directors" as defined by Rule 16b-3 under the Securities Exchange Act of 1934 and "outside directors" as defined by Section 162(m) of the Internal Revenue Code. The members of the Compensation Committee and the chairperson shall exercise at the pleasure of the Board, until relieved from their duties. If the Board does not elect a new Compensation Committee, the members elected will continue to exercise as Compensation Committee until a new one is elected. Any Compensation Committee member (including the chairperson) may be removed at any time, with or without cause, by the Board.

The Compensation Committee shall have authority to delegate any of its responsibilities to one or more subcommittees as the Compensation Committee may from time to time deem appropriate. If at any time the Compensation Committee includes a member who is not a "non employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), then a subcommittee comprised entirely of individuals who are "non-employee directors" may be formed by the Compensation Committee for the purpose of ratifying any grants of awards under any incentive or equity-based compensation plan for the purposes of complying with the exemption requirements of Rule

16b-3 of the Exchange Act or Section 162(m) of the Internal Revenue Code of 1986, as amended; provided that any such grants shall not be contingent on such ratification.

### Meetings

The Compensation Committee shall meet as often as necessary, but at least two times each year, to enable it to fulfill its responsibilities. The Compensation Committee shall meet at the call of its chairperson or a majority of its members. The Compensation Committee may meet by telephone conference call or by any other means permitted by law or the Company's Articles of Association. A majority of the members of the Compensation Committee shall constitute a quorum. The Compensation Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. Subject to the Company's Articles of Association, the Compensation Committee may act by unanimous written consent of all members in lieu of a meeting. The Committee shall determine its own rules and procedures, including designation of a chairperson pro tempore in the absence of the chairperson, and designation of a secretary. The secretary need not be a member of the Committee and shall attend Committee meetings and prepare minutes. The Secretary of the Company shall be the Secretary of the Compensation Committee unless the Committee designates otherwise. The Committee shall keep written minutes of its meetings, which shall be recorded or filed with the books and records of the Company. Any member of the Board shall be provided with copies of such Committee minutes if requested.

The Compensation Committee may ask members of management, employees, outside counsel, or others whose advice and counsel are relevant to the issues then being considered by the Committee to attend any meetings (or a portion thereof) and to provide such pertinent information as the Committee may request. The chairperson of the Compensation Committee shall be responsible for leadership of the committee, including preparing the agenda which shall be circulated to the members prior to the meeting date, presiding over Compensation Committee meetings, making assignments and reporting the Compensation Committee's actions to the Board. Following each of its meetings, the Compensation Committee shall deliver a report on the meeting to the Board, including a description of all actions taken by the Compensation Committee at the meeting.

### Committee Authority and Responsibilities

In addition to such other duties as the Board may from time to time assign, the Compensation Committee shall:

- Establish, review and approve the overall executive compensation philosophy and policies of the Company, including the establishment, if deemed appropriate, of performance-based incentives that support and reinforce the Company's long-term strategic goals, organizational objectives and stockholder interests.
- Review and approve the Company's goals and objectives relevant to the compensation of the CEO, annually evaluate the CEO's performance in light of those goals and objectives, determine the CEO's compensation level, including, but not limited to, salary, bonus or bonus target levels, long and short-term incentive and equity compensation, retirement plans, and deferred compensation plans as the Compensation Committee deems appropriate. In

determining the long-term incentive component of the CEO's compensation, the Committee shall consider, among other factors, the Company's performance and relative stockholder return, the value of similar incentive awards to CEO's at comparable companies, and the awards given to the Company's CEO in past years. The CEO shall not be present during voting and deliberations relating to CEO compensation.

- Determine the compensation of all other executive officers, including, but not limited to, salary, bonus or bonus target levels, long and short-term incentive and equity compensation, retirement plans, and deferred compensation plans, as the Committee deems appropriate. Members of senior management may report on the performance of the other executive officers of the Company and make compensation recommendations to the Committee, which will review and, as appropriate, approve the compensation recommendations.
- Administer or delegate the power to administer the Company's incentive and equity-based compensation plans, including the grant of stock options, restricted stock and other equity awards under such plans.
- Review and make recommendations to the Board with respect to the adoption of, and amendments to, incentive compensation and equity-based plans and approve for submission to the stockholders all new equity compensation plans that must be approved by stockholders pursuant to applicable law.
- Review and approve for the CEO and the other executive officers of the Company any employment agreements, severance arrangements, and change in control agreements or provisions.
- Review and discuss with the Company's management the Compensation Discussion and Analysis set forth in Securities and Exchange Commission Regulation S-K, Item 402, if required, and, based on such review and discussion, determine whether to recommend to the Board of Directors of the Company that the Compensation Discussion and Analysis be included in the Company's annual report or proxy statement for the annual meeting of stockholders.
- Provide, over the names of the members of the Compensation Committee, the Compensation Committee Report for the Company's annual report or proxy statement for the annual meeting of stockholders, if required.
- Conduct an annual performance evaluation of the Committee. In conducting such review, the Committee shall evaluate and address all matters that the Committee considers relevant to its performance, including at least the following: (a) the adequacy, appropriateness and quality of the information received from management or others; (b) the manner in which the Committees recommendations were discussed or debated; (c) whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner; and (d) whether this Charter appropriately addresses the matters that are or should be within its scope.

The Compensation Committee has the authority, to the extent it deems appropriate, to conduct or authorize investigations into or studies of matters within the Compensation Committee's scope of responsibilities and to retain one or more compensation consultants to assist in the evaluation of CEO or executive compensation or other matters. The Compensation Committee shall have the sole authority to retain and terminate any such consulting firm, and to approve the firm's fees and other retention terms. The Compensation Committee shall evaluate whether any compensation consultant retained or to be retained

by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K. The Compensation Committee shall also have the authority, to the extent it deems necessary or appropriate, to retain legal counsel or other advisors. In retaining compensation consultants, outside counsel and other advisors, the Compensation Committee must take into consideration factors specified in the NASDAQ listing rules. The Company will provide for appropriate funding, as determined by the Committee, for payment of any such investigations or studies and the compensation to any consulting firm, legal counsel or other advisors retained by the Compensation Committee.

## **4. OFFICERS**

### **4.1.Chief Officers**

The Chief Officers of the Company are the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer, all who shall be elected by majority of the votes of the independent members of the Board of Directors, for as long as the Board deems necessary.

Compensation of the Chief Officers will be subject to approval of the Compensation Committee.

### **4.2.Disclosure Committee**

All financial disclosures made by the Company to its shareholders or the investment community should (i) be accurate, complete and timely, (ii) fairly present, in all material respects, the Company's financial condition, results of operations and cash flows, and (iii) meet any other legal, regulatory or stock exchange requirements.

#### Purpose

The Company's Disclosure Committee shall assist the Company's officers and directors (collectively, the "Senior Officers") fulfilling the Company's and their responsibilities regarding (i) the identification and disclosure of material information about the Company and (ii) the accuracy, completeness and timeliness of the Company's financial reports.

#### Committee Membership

The members of the Committee will be comprised of the Company's officers and senior level management. The Committee may designate two or more individuals, at least one of whom shall be knowledgeable about financial reporting and another about law, who can, acting together, review Disclosure Statements when time does not permit full Committee review. The Senior Officers at their option may, at any time and from time to time, assume any or all of the responsibilities of the Disclosure Committee identified herein, including, for example, approving Disclosure Statements when time does not permit the full Committee (or the designated individuals) to meet or act.

The Chief Financial Officer of the Company shall act as the Chair of the Disclosure Committee (unless and until another member of the Committee shall be so appointed by any Senior Officer) and shall designate a secretary of the meeting in order to prepare the minutes.

### Meetings

The Committee shall meet or act as frequently and as formally or informally as circumstances dictate, but in no case less than quarterly, to (i) ensure the accuracy, completeness and timeliness of the Disclosure Statements and (ii) evaluate the Disclosure Controls and Procedures and determine whether any changes to the Disclosure Controls and Procedures are necessary or advisable in connection with the preparation of the Reports or other Disclosure Statements, taking into account developments since the most recent evaluation, including material changes in the Company's organization and business lines and any material change in economic or industry conditions. The Disclosure Committee shall adopt, whether formally or informally, such procedures as it deems necessary to facilitate the fulfillment of its responsibilities.

### Responsibilities

Subject to the supervision and oversight of Senior Officers, the Disclosure Committee shall be responsible for the following tasks:

- Review and, as necessary, help revise the Company's controls and other procedures ("Disclosure Controls and Procedures") to ensure that (i) information required by the Company to be disclosed to the Securities and Exchange Commission (the "SEC"), and other written information that the Company will disclose to the public is recorded, processed, summarized and reported accurately and on a timely basis, and (ii) such information is accumulated and communicated to management, including the Senior Officers, as appropriate to allow timely decisions regarding required disclosure.
- Assist in documenting, and monitoring the integrity and evaluating the effectiveness of, the Disclosure Controls and Procedures.
- Review the Company's (i) Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, proxy statement, material registration statements, and any other information filed with the SEC (collectively, the "Reports"), (ii) press releases containing financial information, earnings guidance, forward-looking statements, information about material transactions, or other information material to the Company's shareholders, (iii) correspondence broadly disseminated to shareholders, and (iv) other relevant communications or presentations (collectively, the "Disclosure Statements").
- Discuss information relative to the Disclosure Committee's responsibilities and proceedings, including (i) the preparation of the Disclosure Statements and (ii) the evaluation of the effectiveness of the Disclosure Controls and Procedures.

The Disclosure Committee shall have such other responsibilities, consistent with its purpose, as any Senior Officer may assign to it from time to time. The Disclosure Committee shall have full access to all of Company's books, records, assets, facilities and personnel, including the internal auditors, in connection with fulfilling its responsibilities.

## Disclosure Control Considerations

The Committee shall base the review and revision of the Disclosure Controls and Procedures on the following factors:

- *Control Environment:* The directives of the Board and Audit Committee; the integrity and ethical values of the Company's officers and employees, including the "tone at the top"; the Company's Code of Conduct; and the philosophy and operating style of management, including how employees are organized and how authority is delegated.
- *Risk Assessment:* The identification and analysis of relevant risks to achieving the goal of accurate and timely disclosure, forming a basis for determining how the risks should be managed.
- *Control Activities:* The procedures to ensure that necessary actions are taken to address and handle risks to achievement of objectives.
- *Information and Communication:* The accumulation, delivery and communication of financial information throughout (i.e., up, down and across) the organization.
- *Monitoring:* The assessment of the quality of the financial reporting systems over time through ongoing monitoring and separate evaluations, including through regular management supervision and reporting of deficiencies upstream.

## **5. CORPORATE SUSTAINABILITY**

The Company is aware of the importance to maintain responsible management and that is why we are committed to sustainable development, seeking to balance economic, environmental and social investments in a transparent and ethical manner. The Company's corporate sustainability policy is part of its strategy, aimed at contributing to the relationships with stakeholders, complying with the applicable legal framework and abiding best practices and international standards in relation to human rights, labor matters, environment and anticorruption.

The Company's policy is intended to reflect the principles and commitments it has voluntarily adhered to and serve as a basis for responsible and sustainable development in the long term, increasing productivity, under high quality standards, strengthening the loyalty of its customers and always in tune with its environment and stakeholders' interests.

## **6. ETHICS AND COMPLIANCE**

The Company's Compliance and Ethics program is an organizational policy that has been put in place to promote law abiding (including FCPA and AML) and ethical conduct which's principal core guidelines are set out in the Company's Code of Conduct.



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Corporate Governance Guidelines  
V. 1 - August 2017

## Ethics Hotline

All our stakeholders can ask questions about our Code of Conduct and other ethics and compliance issues, or report potential violations through our Ethics Line, operated by a third impartial party, toll-free 01-8000-911-0011 Code: 855-881-7174 available 24 hours a day, seven days a week, with translators in several languages or available online for easier access [tecnoglass.ethicspoint.com](http://tecnoglass.ethicspoint.com)

**Last updated: August 16, 2017**