

February 28th, 2017

CORPORATE PRACTICES COMMITTEE
ANNUAL ACTIVITY REPORT

During the year ending on the 31st day of December, 2016, the Corporate Practices Committee, reviewed and participated in the following matters as specified below:

1. - Performance of Directors. The performance and compliance of responsibilities of the Members of the Board of Directors was assessed for the year 2016. Their performance was found adequate.
2. - Remuneration of Directors and members of QC and QMX Committees corresponding to 2016. Mr. Wilfrido Castillo submitted a proposal, as requested by this Committee, which was discussed in depth and approved.
3. - Hiring Policies regarding Relatives. Together with a report by QMX Human Resource Area, these hiring cases were reviewed. This Committee determines that the cases are few, justified and do not pose potential conflicts of interest.
4. - The structure of the Boards of Directors of QC and QMX was evaluated and discussed; and, at the discretion of the Committee and that of various administrative areas, said structure should encompass a higher variety of genders, submitting several candidates and lastly recommending Ms. Madeleine MC. Bremond Santa Cruz.
5. - Related party loans were reviewed.
- 6.- Remunerations proposed for officers and the Director General of QMX and QC, applicable for 2016, were presented, discussed and approved.
7. - Third-party liability policy for officers and directors of QMX and QC as well as those of QUIC (USA) suggesting updating of the same.
8. - The results of the organizational environment evaluation for 2015 were reviewed, and a suggestions for specific actions were made, including the full independence of the evaluator.
9. – “SOLVENCIA II” was reviewed and acknowledged.
10. - Emphasis was made on the development and implementation of a remuneration mechanism tying the interest of senior executives of the company with the interest of its shareholders.


Mauricio Domenge
Chairman