

I, INÉS MORALES P., holder of the identity card V-11.305.484, Certified Public Translator of the Bolivarian Republic of Venezuela in the English language, as per Title granted on December 12, 2001, duly published in the Official Gazette Nr. 37,475 dated July 1, 2002, and registered before the Main Public Registry Office of the Federal District on February 15, 2002, under Nr. 1, Folio 3, Volume 17, and before the Sixth Civil Court of First Instance for Civil, Commercial, Transit and Family Matters of the Judicial Circumscription of the Metropolitan Area of Caracas on March 22, 2002, DO HEREBY CERTIFY that the document attached hereto, written in Spanish, has been submitted for translation, and textually reads as follows:

REPORT OF THE BOARD OF DIRECTORS OF
CORIMON, C.A.
GENERAL SHAREHOLDERS MEETING
Caracas, July 29, 2016

The Board of Directors of Corimon, C.A. is pleased to inform the shareholders that the fiscal year finished on April 30, 2016 has satisfactorily ended.

In this sense, we are pleased to inform you that on the fiscal year ended on April 30, 2016, consolidated sales for thirty-one billion seven hundred sixty-four million seventy-four thousand two hundred twenty-four constant Bolivares (Bs. 31,764,074,224), obtaining an operating profit of seven billion two hundred eleven million nine hundred thirty-three thousand forty-five Constant Bolivares (Bs. 7,211,933,045) and net profit was two billion eight hundred million one hundred three thousand three hundred forty-four Constant Bolivares (Bs. 2,800,103,344). Total assets of the company were one hundred twenty-seven billion three hundred two million one hundred fifty-six thousand forty-two Constant Bolivares (Bs. 127,302,156,042), while total liabilities summed fifty-six billion three hundred seven million six hundred ninety-seven thousand one hundred fourteen Constant Bolivares (Bs. 56,307,697,114) which results in a total equity as of April 30, 2016 of seventy billion nine hundred ninety-four million four hundred fifty-nine thousand one hundred eighty-five Constant Bolivares (Bs. 70,994,459,185).

Afterwards, the Board of Directors informs the shareholders the following outstanding aspect of Grupo Corimon in the Fiscal Year ended on April 30, 2016:

I. Corimon, C.A. and its affiliates performance, during fiscal year ended on April 30, 2016:

In the fiscal year recently ended, Corimon, C.A. and its affiliates continue to develop new strategic associations and technological Alliance and likewise continue the modernization process of its Plants and procedures, all in order to exceed our goals.

Corimon Pinturas, C.A.: In the fiscal year ended on April 30, 2016, the affiliate Corimon Pinturas, C.A., reached a gross profit of four billion five hundred fifty-three million four hundred nine thousand one hundred six Constant Bolivares (Bs. 4,553,409,106) and an operating profit of three billion one hundred seventy-four million eight hundred eighty-two thousand six hundred forty-four

Constant Bolivares (Bs. 3,174,882,644). Among the investments performed in this fiscal year we have the following: infrastructure improvements as well as adaptation of the flood defenses of the Storage Tanks to comply with the environmental requirements under NFPA30, executed the reinforcement of the mezzanine slabs of Planta Latex, guaranteeing this way the extension of the remaining useful life of the structure and the associated operative continuity.

Resimon, C.A: As for this affiliate, during the fiscal year ended on April 30, 2016, it reached a gross profit of one billion four hundred eighty-one million four hundred forty thousand sixty-six Constant Bolivares (Bs. 1,481,440,066) and an operating profit of one billion one hundred fifty-seven million three hundred eleven thousand eight hundred fifty-four constant Bolivares (Bs. 1,157,311,854). Among the most important investments, we have: A section of 59 mt of length of a divisor wall between the company and Gaveplast, C.A., for an amount of Bs. 980.000 to guarantee the protection of the assets of the companies and the effects on the facilities caused by flooding due to the raingutter existing between the two companies, being this an improvement in the equity safety in the perimeter of the company.

Cerdex, C.A: This affiliate of Grupo Corimon dedicated to the manufacturing and commercialization of paintbrushes, rollers, brushes and accessories for the painter, maintained its leadership in the national market, offering excellent quality products at accessible prices. Cerdex had sales for nine hundred twenty-two million seven hundred ninety-three thousand two hundred twenty-eight constant Bolivares (Bs. 922,793,228) and an operating profit of one hundred twenty million nine hundred eighty-eight thousand one hundred thirty-eight constant Bolivares (Bs. 120,988,138). No relevant investments were made in this affiliate, only some improvements to maintain the factory operation within the labor security and safety parameters.

Tiendas Montana, C.A: Leader chain of paintings and related products in Venezuela ended the fiscal year 2016 with one hundred eighty four (184) operative stores under the franchise system and its participation in the whole sales of Corimon Pinturas increased from 62 % to 63% in Bolívares and in units it went from 61% to 64%. In fiscal year 2016, no new commercial points opened.

Montana Gráfica, C.A: As for this affiliate in charge of producing a wide variety of flexible and foldable packages for mass and industrial consumption and the rendering of design services and pre-press or the graphic arts industry, we must indicate that it ended the period reaching sales for up to ten billion seven hundred seventy-five million eight hundred fifty-eight thousand four hundred fifty-three Constant Bolivares (Bs. 10.775.858.453) and obtained an operating profit of two billion nine hundred sixty-one million four hundred sixty-nine thousand eight hundred seventy-six constant Bolívares (Bs. 2,961,469,876). As for the investments of this affiliate and continuing with our commitment with the environment and productivity, the Project of the Recovery Plant of Solvents ended with an investment of approx. US\$ 10,000,000 coming on stream all its phases, now being 100% validated and operative. This allows the continuity of operations, diminishing the procurement and purchase of Ethyl Acetate, in addition to reducing the emissions of Acetate to the environment. Likewise, improving the patrimonial safety, the height of the perimeter wall was increased, which was a weak point in the protection of personnel and assets of the company.

PPV Puras Pinturas Venezolanas, C.A: This local affiliate incorporated in year 2008, continues its growth, achieving a network of 30 Pintatodo stores, exclusive for the brand all over the Venezuelan territory. Likewise, it has reached a consolidation of its wholesale distributor's network with 10 distributors nationwide, with the purpose of achieving a greater presence in the sales points. On the

other hand, it keeps increasing the presence of the brand in the main multi brand stores of country with over 70 direct clients, increasing this way the growth possibilities, given the interest of the market to belong to the store's network and the current opportunities of inclusion of the brand in new clients.

On the other hand, the presence of the brand continues to increase in the main multi brand stores of the country, increasing the growth possibilities, increasing this way the growth possibilities, given the interest of the market to belong to the store's network and the current opportunities of inclusion of the brand in new clients. Regarding the investments made in PPV during this fiscal year, an industrial complex was acquired (former paints factory) in Santa Cruz Aragua and in this sense, in this Fiscal Year a moving of the assets (equipment, materials and finished products) was made from the industrial shed of the industrial zone Pruinca to the new facilities located in Santa Cruz Edo. Aragua and remodeling of the main offices was made with a total of 1.276 m² where now there are 15 operative offices, with lunch and laboratory areas. Likewise, an industrial shed of 1.950 m² for the dispatch and storage of the finished product. The conditioning and improvement of these facilities will continue to be made during the following fiscal year until it reaches the appropriate safety and operation required levels.

Envaca, C.A: This new affiliate incorporated in year 2012, is a plastic packages factory for the paintings industry that has state of the art equipment that includes injection machines, chillers, a compressor and a mill for the recovery of plastic. It had sales for one hundred nineteen million one hundred nine thousand seven hundred seventy-seven Constant Bolivares (Bs. 119.109.777) and a gross operation of twenty-six million five hundred seventy-two thousand forty-seven Constant Bolivares (Bs. 26.572.047). Regarding the investments made in Envaca during this Fiscal Year, a purchase of a machine to seal and strap the plastic packages was bought increasing the protection and remaining useful life level of its products.

Puras Pinturas Dominicana, C.A: This new foreign affiliate incorporated on 2011, inaugurated its Industrial Plant in the Autopista Duarte Km22 ½ Municipio Pedro Brand, Santo Domingo Oeste, Dominican Republic on October 30, 2014. It is a paintings factory with state of the art equipment, with European brands recognized in the paintings manufacturing area, which was possible due to an important private investment that amounts in its initial phase to US\$ 25 Million Dollars.

It had sales for two million six hundred eighty thousand five hundred forty-nine US dollars and zero cents (US\$ 2,680,549.00). As for the investments made in this fiscal year, a total investment of one hundred eighty-six thousand dollars and zero cents (US\$. 186,000) was made, detailed as follows: i) the acquisition of three (3) slurry tanks, to increase the productive process efficiency for an amount of one hundred twenty-six thousand six hundred fourteen US dollars and zero cents (US\$ 126,614) ii) the acquisition of a stainless steel mold, for the manufacturing of the plastic gallon of the premium line, for an amount thirty six thousand US dollars and zero cents (US\$ 36,000,00) and iii) the acquisition of Hyundai-Tucson vehicle for an amount of twenty three thousand three hundred eighty six US dollars and zero cents (US\$ 23.386) for the reposicion of the prior one that had an accident.

As of this date, it has 11 franchises distributed as follows: nine (9) in the city of Santo Domingo, one (1) in the city of Santiago de los Caballeros and one (1) in Bávaro.

Likewise, operations opened in the Republic of Panama, through a Master Franchise, where the first Tienda Montana was inaugurated on September 2015. Currently, four new stores will be opened, located in several points of Panama.

Puras Pinturas Paraguayas, C.A.: This other new foreign affiliate incorporated in year 2011, inaugurated its Paintings Plant in September, 2014. Its facilities are located in the city of Ypané, Central Department, Paraguay.

As of the date, it has 3 Tiendas Montana, located one of them in Avenida Aviadores del Chaco and the other in the Avenida Eusebio Ayala, both in the best commercial avenues of La Asunción, the third one is located Coronel Oviedo.

Likewise, it has 12 franchised Tiendas Montana stores, located in Asunción as well as in Provincias in Paraguay and by August we aspire to have inaugurated 16 franchised Tiendas Montana stores. Additionally, the first Tienda Montana store opened in the Republic of Bolivia and it is estimated to close this year with 3 more.

Regarding the investments made in this fiscal year, the company made the purchase of a lot of land (municipal surplus) in the west boundary of the property Puras Pinturas Paraguayas S.A., which investment was US\$. 78,137.75.

Principle of Good Corporate Governance:

Regarding the Principles of Good Corporate Governance and following the criteria adopted by the National Superintendence of Securities, by means of Resolution No. 19-1-2005, the Board of Directors of the company has determined that more than a fifth of the Directors that form it, may be considered independently. Likewise, the Board of Directors has designated an Audit's Committee, which main offices are: i) Know in advance the financial statements of the company as condition precedent for them to be considered by the Board of Directors and afterwards submitted for their approval by the Shareholders Meeting; ii) Assist the Board of Directors regarding the implementation of the necessary measures to preserve the integrity of the financial information of the company; iii) Collaborate with the Board of Directors in its labor of supervising the activity of the internal audit and the activity of external auditors; and, iv) Know and analyze the contents of the management letter in order to make the recommendations it deems necessary.

II. Corporate Social Responsibility:

Finally, we want to make our shareholders know that Grupo Corimon, C.A., is aware of the importance of its social role, in that sense, we highlight some of the activities carried out during fiscal year 2015-2016:

- During fiscal year 2015-2016 the group kept on making the contribution by payroll to the *Dividendo para la Comunidad*. By the closing of the fiscal year 350 workers remain active in this program.
- As it is a tradition since year 2008, during the month of December 2015, with the voluntary participation of workers of the affiliate companies of grupo Corimon, we made a gathering with the children of the *Casa Hogar Semillitas*. Voluntary workers contributed with: Food,

toiletries, sweets for the party favors, among other. This activity was carried out on December 5 of year 2015.

- Corimon and its affiliates collaborate with the student community through agreements with the *Fundación Educación Industrial* (FUNDEI), giving the opportunity to young students of the different student houses of the country such as technical schools, university institutions and universities providing internships and graduation projects that allow them culminate their careers and start their growth as future professionals. On the other hand, these industrial studies have provided improvement and development of the processes at the company. During this fiscal year, 37 young made their internships at the companies: Corimon, C.A., Corimon Pinturas, C.A., Resimon, C.A., and Montana Grafica, C.A.
- “*Educando en Verde*” Campaign: in order to give general information of the basic aspects and theories of recycling, reducing and reusing of waste, its impact, scope, cost reduction and other, between the months of August and September 2015, workshops were given to relatives of workers and members of the community. They received information and afterwards made ingenious practical ideas that helped to give a different insight of how to see this matter. The participants learnt by means of plastic bottles, to obtain tapes and use them to thread on top of different bases or create ingenious products that can be commercialized. This activity took place at the companies: Cerdex, C.A., Resimon, C.A., Montana Grafica, C.A., y PPV Puras Pinturas Venezolanas, C.A., with a whole participation in this campaign of 47 persons.
- This year, Corimon continued with the contribution to the Program “*Échale Color*”, framed within the Corporate Social Responsibility plans, which main objective is to give happiness, harmony and peace through a journey of communitarian coexistence where with an artistic design, the facades a selected community are painted. This program is executed together with the organization *Somos Posible*, which forms part of the *Asociación Civil Rompe el Molde*, lead by Maickel Melamed. So, the company participated in the program *Échale Color* Calle Baute in Petare, Sucre Municipality (April 2015), giving a support not only in materials, but also for its execution and logistics. Afterwards, it also participated in *Échale Color* Las Palmas, in Libertador Municipality in August 2015 and finally in November 2015, participated in *Échale Color* in Santa Cruz, Baruta Municipality. This contribution means an approximate of 350 gallons of paint and a financial support of over Bs. 250.000.
- As usual, Corimon Pinturas also made donations of products to diverse governmental and nongovernmental organizations, such as the *Instituto Municipal del Ambiente*, the Civil Association “*Forjadores Jimenenses*”, *Sinprofapinco*, *Consejo Comunal Los Nísperos*, *Confederación Venezolana de Industrias*, *Fundación del Amigo del Niño con Cáncer*, *Instituto de Enseñanza Integral*, among other.

Given the above expressed considerations and having reviewed the Statutory Auditors’ report, the Board of Directors of Corimon, C.A., submits to the consideration of the shareholders, the Consolidated Financial Statements of Corimon, C.A. and affiliated companies, in constant Bolívares for the fiscal year ended on April 30, 2016.

For: THE BOARD OF DIRECTORS
Carlos Gill Ramírez
President

This is a true translation of the document attached hereto. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in Caracas, on this 29th day of the month of July, 2016.

Inés Morales Parra
Certified Public Translator
of the Bolivarian Republic of Venezuela