



CODE OF GOOD GOVERNANCE

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These regulations govern for the meetings of the General Shareholders Assembly of Corporacion Financiera The Board of Directors of Corporacion Financiera de Colombia S.A. (hereinafter the “Corporation” or the “Company”), in exercise of the statutory powers to order and establish the general Good Governance policies of the Company, has gathered and structured the legal, regulatory, statutory and administrative regulations, as well as the internal policies and best practices regarding good governance that must govern in the Corporation, with respect to the company’s governance, management and conduct practices of its officers.

This Code of Good Governance aims at serving as a complement to the legal and statutory provisions applicable to the Corporation and to the documents and policies provided by the Company in terms of Corporate Governance.

The Corporation, as a subordinate entity of Grupo Aval Acciones y Valores S.A. has adopted the principles established by Grupo Aval in the document titled Institutional Relationship Reference Framework, which was duly approved by the Board of Directors of the Corporation.

1. IDENTIFICATION AND FRAMEWORK OF COMPANY’S ACTIONS

1.1. Legal Nature

CORPORACION FINANCIERA COLOMBIANA S.A., referred to as CORFICOLOMBIANA S.A. or CORFICOL S.A. is a credit establishment, incorporated as a private business corporation by public deed No. 5710 dated November 27, 1961 of the First Notary of Cali (Valle), with main domicile in Bogota D.C., and subject to the supervision and control of the Finance Superintendence of Colombia.

1.2. Corporate Purpose

CORFICOLOMBIANA S.A. may execute the activities and agreements authorized to financial corporations in the Organic Statute of the Financial System (Estatuto Organico del Sistema Financiero) or other special provisions amending or replacing the same.

2. GOVERNING BODY - GENERAL SHAREHOLDERS ASSEMBLY

The General Shareholders Assembly is the highest governing body and is comprised of the shareholders with voting right, registered in the Shareholder Ledger, or their representatives or agents, gathered in the quorum and other requirements provided in the bylaws.

2.1. Meetings

The meetings of the General Shareholders Assembly of Corficolombiana S.A. may be regular or special meetings, in accordance with the provisions in the bylaws and the law.

The first meetings shall be held before April 1, on the date, time and place indicated by the President of the Corporation in the summon notice of the meeting. If not summoned by the President, the Assembly may gather by its own right on the first business day of the month of April, at ten in the morning (10 a.m.), at the President's office located at the principal place of business.

All other Assemblies shall be special meetings and be held on the date, time and place indicated in the summon, when deemed appropriate by the Board of Directors, the President, the Tax Auditor or a plural number of shareholders representing, at least, one fourth of subscribed shares. In this last case, the request shall clearly express the purpose of the summon.

Assemblies shall be chaired by the Chairman of the Board of Directors or by the Vice-chairman thereof, or by any other director. In case of absence of all of them, by the President of the Corporation or the person acting as such, or the shareholder appointed by the absolute majority of attendees. The General Secretary of the Corporation or person acting as such shall act as Secretary of the Assembly, who shall prepare the minutes corresponding to the meeting, in the terms provided in the Law and bylaws.

2.2. Quorum

There will be quorum to decide at regular and special meetings of the General Shareholders Assembly with attendance of a plural number of persons representing shares with voting right equal to or greater than half plus one of subscribed shares.

If a meeting is not held due to lack of quorum, a new meeting shall be summoned to validly deliberate and decide with the attendance of one or several shareholders, regardless of the number of shares they represent. The new meeting shall be held not before ten business days and no later than thirty business days, following the date established for the first meeting.

At meetings by own right, a plural number of shareholders may validly deliberate and decide, regardless of the number of shares represented.

Except in cases where the law demands a greater number of votes, the actions of the General Assembly require the affirmative vote of a plural number of shareholders representing at least half plus one of shares present at the meeting with voting right when voting to be valid.

In the cases where the shareholders assembly with preferred dividend and no voting right gathers separately, the majority indicated in the law shall approve the decisions made therein.

2.3. Summons

The summon to regular meetings of the General Shareholders Assembly shall be made at least fifteen (15) business days in advance and for special meetings at least five (5) calendar days in advance. The summons shall be made through one (1) notice published in a newspaper released at the principal place of business. Provided there are shares with preferred dividend and no voting right in the market, the summons shall also be published in the newspaper El Pais of the city of Cali.

The summons notice of a meeting shall also be disclosed to the market through the web page of the Finance Superintendence of Colombia and the web page of the Corporation.

The summons notice shall include the agenda proposed for the regular meetings or that to be followed in the special meetings by clearly announcing in detail the subjects that shall be submitted for consideration of the Assembly.

Regardless of the provisions of articles 182 and 425 of the Code of Commerce relative to the subjects the Assembly can discuss, any shareholder, regardless of the size of its shareholding, may propose the introduction of subjects additional to those for which the Assembly was called or submit new proposals on matters already included in the agenda, provided the following requirements are met:

- Be registered in the Stock Ledger of the Company. Notwithstanding, in the case of holders of Preferred Shares, these may only propose the incorporation of subjects additional to those for which the Assembly was called, or submit different proposals, with respect to subjects in which those shareholders are entitled to participate and vote in the Assembly.
- Submit a written request, within the five common days following the publication of the Summons Notice, where the shareholders and number of shares they represent are correctly identified.
- Clearly describe in detail the subjects whose incorporation is proposed or the new proposal, as well as the reasons justifying the request as applicable, as part of the subjects to be dealt with in the Assembly.
- Correspond to reasonable subjects, in the best interest of the Company, pertinent to discuss at the Assembly, related to the development of the corporate purpose of the company and whose consideration and approval corresponds to the Assembly within its legal and statutory functions.

Once the request is received and compliance with the conditions referred to in this article is verified, depending on their content, Company management shall decide on the origin thereof or the need to inform the Board of Directors in that regard. Notwithstanding the foregoing, in cases where the request is supported by shareholders representing five (5) percent or more of the capital stock, the Board of Directors shall be informed about said request and it shall give an answer to the requestor in case it was dismissed. The response of the Board of Directors may be given in written form prior to the Assembly or during its course, without this implying any alteration to the agenda.

The summons notice shall expressly mention that the documents required by Law and those required for the proper information of shareholders, in relation to the subjects to be addressed, are available for consultation at the General Secretariat of the Corporation.

When a General Shareholders Assembly at which the owners of shares with preferred dividend and no voting right may intervene is called, the summons notice of the meeting shall also summon the Shareholders Assembly with Preferred Dividend, specifying the matters to be discussed by the Assembly. The meeting of the Shareholders Assembly with Preferred Dividend must be prior to the meeting of the General Shareholders Assembly.

2.4. Functions of the General Assembly

The following are functions of the General Shareholders Assembly: a) Choose for periods of one (1) year, the seven (7) Senior Directors, that will comprise the Board of Directors, and their respective personal substitutes and freely remove the same; b) Choose for periods of one (1) year the Tax Auditor and his alternate; c) Establish the fees for members of the Board of Directors and the remuneration of the Tax Auditor, as well as the appropriations for the supply of human and technical resources destined to the performance of functions corresponding to the Tax Auditor; d) Approve or disapprove, at each of the regular meetings, the accounts of Management and Balance Sheet. If not approved, it shall establish from among its members a plural commission to examine the accounts, inventory and balance and submit a report to the Assembly, on the date indicated by it to continue the meeting; e) Consider the reports submitted by the Board of Directors, the President and the Tax Auditor; and demand reports from any other official or employee of THE CORPORATION; f) Decree profit sharing, establish periods of dividends, authorize the cancellation of losses or capitalization of profits; and create special reserve funds other than legal; g) Approve the incorporation of the Company to another company of the same type; h) Authorize the incorporation of another Company of the same type to this Company; i) Approve the bylaw reforms, as well as the conversion, split, acquisition, merger and assignment of assets, liabilities and agreements referred to in the Organic Statute of the Financial System. In these cases, the decision shall be made with the majority required in these bylaws, which shall include the favorable vote of shareholders with

preferred dividend in the events where they must participate in voting according to the rights granted by the law to these shares; j) Order the issuance of convertible bonds of THE CORPORATION; k) Create the position of Permanent Consultant of the Board of Directors, empowered to attend its meetings, earning the same fees established for the Board of Directors; and l) Determine on an annual basis the maximum amount up to which the Corporation may make donations supporting causes tending to benefit the community or specific sectors thereof, (e.g., causes aimed at health, education, culture, religion, exercise of democracy, sports, scientific research and technology, ecology and environmental protection, defense, protection and promotion of human rights, access to justice, social development programs, support in disaster and calamity situations, etc.) and which contribute to the promotion of the company's corporate image in exercise of its corporate responsibility. The General Shareholders Assembly shall be empowered to decide every year the specific sectors to which such donations may be destined. PARAGRAPH: All donations made by the Corporation must be previously approved by the Board of Directors. m) Run the course and general direction of business; and exercise other functions provided by the bylaws and those naturally under its responsibility as highest governing authority of THE CORPORATION.

2.5. Internal Regulations of the Assembly

The General Shareholders Assembly approved its internal regulations, which includes measures on the summons and operation of its regular and special meetings, which shall be published on the webpage of the Corporation and shall complement the provisions of this Code.

2.6. Right of Inspection and Access to Information

Among other rights, the shareholders shall be entitled to inspect the books and papers of the company within fifteen (15) business days prior to the Assembly at which year-end balance sheets are examined. In exercise thereof, the managers of the Company shall grant the exercise of the right of inspection of the books and papers of the Company to the shareholders or their representatives who are duly qualified during said term.

All of the shareholders of the Company, regardless of the size of their participation, shall have equal possibilities of being served and informed, among other matters, about the subjects included in the Summons Notice of the Assembly. Thus, in addition to the possibility of the exercise of the right of inspection at the offices of the Company and in case of being deemed convenient to achieve a greater dissemination of information to make decisions, prior to the Assembly, the Company may use its webpage or any other electronic means to put at the disposal of its shareholders the Summons Notices and documents required for the exercise of the right of inspection, as well as any other documents to be submitted for consideration of the Assembly, when they are available prior to the respective meeting.

The right of inspection or access to information by no means shall be extended to the documents related to industrial secrets or in case of data that, if disclosed, could be used in detriment of the Company.

2.7. Special Treatment Subjects

Without prejudice of the provisions in articles 182 and 425 of the Code of Commerce, relative to the subjects that can be discussed by the Assembly, the following subjects shall be subject to special treatment provided below:

- The segregation, also known as improper split, may only be considered and approved by the Assembly when this point has been expressly included in the Summons Notice of the respective meeting.
- In the case of amendments to the Bylaws, each article or group of articles shall be individually voted on when these refer to substantially independent subjects. In addition, a determined article shall be individually voted if any shareholder or group of shareholders representing at least five percent of the capital stock so requests during the Assembly.
- When the increase of the authorized capital or the reduction of subscribed capital is intended to be discussed, the respective item shall be included in the agenda indicated in the summons. The omission of this requirement shall make the corresponding decision ineffective. In these cases, the managers of the Company shall prepare a report about the reasons of the proposal, which shall be at the disposal of the Shareholders at the management offices of the Company, during the summons term.
- The Assembly whose purpose consists on submitting for consideration of the shareholders, projects relative to the split, merger or basis of transformation of the Company, the summons shall be made at least fifteen (15) business days in advance to the meeting in which the respective proposal shall be considered. The same treatment shall apply to the Assemblies whose purpose consists on submitting for consideration of the shareholders the voluntary cancellation of the registration of shares of the Company in the National Registry for Securities and Issuers or in the Stock Market. The Summons Notice to said meeting shall mandatorily include the point relative to the split, merger, transformation or cancellation of the registration and expressly indicate the possibility that the shareholders have of exercising the right to withdraw, under penalty of making the decisions related to those subjects ineffective.

3. MANAGEMENT BODY - BOARD OF DIRECTORS

The Board of Directors is the highest governing authority of the company, which main function consists in determining the management and development policies of the Corporation, as well as ensuring that

the President and top executives comply with and adjust to said policies. Its actions shall be in the best interest of the company and all its shareholders.

3.1. Composition and Election

The Board of Directors is comprised of seven (7) main members. All of them shall have their respective personal alternate. Each shall be elected by the General Shareholders Assembly by the electoral quotient system for periods of one (1) year, but shall keep holding their office until their successors are appointed and take office, unless previously removed or disabled. At least, 25% of the main members elected shall be independent, in the terms of article 44 of Law 964/2005, as well as their alternates.

For purposes of the election of the members of the Board of Directors, the moral solvency, academic background and professional experience of the candidates shall be taken into account, who shall be subject to the rules provided in the Organic Statute of the Financial System and other regulatory provisions on possession of managers, performance of obligations, disqualifications and incompatibilities.

The General Assembly shall indicate the remuneration of the members of the Board of Directors, in accordance with the market parameters for this kind of companies, and with the conditions and capacities thereof.

3.2. Meetings

The Board of Directors shall hold regular meetings, at least, once a month; and special meetings when called by its Chairman or by the President of the Corporation or by the Tax Auditor or by two (2) of its members acting as main members.

The Board shall be chaired by its Chairman or Vice-chairman, or in their absence, by one of the main members in the numerical order in which the General Shareholders Assembly elected them. The General Secretary of the Corporation shall act as secretary, and in his absence, the official appointed by the same Board.

The Board of Directors may also validly deliberate and decide through the mechanisms provided in articles 19 and 20 of Law 222/1995.

The Board of Directors shall appoint one of its members as Chairman and Vice-chairman; the latter shall replace the Chairman in his absolute or temporary absence.

As part of his functions, the Chairman of the Board of Directors shall:

- Coordinate and plan, with the collaboration of the Secretary, the operation of the Board of Directors and its committees through the establishment of an annual plan of meetings of the Board of Directors and its committees that shall be put to the consideration of its members.
- Ensure that calls to meetings are made in the terms provided in the legal provisions and the Bylaws.
- Coordinate with the President of the Company and Secretary of the Board of Directors the agenda of meetings and ensure the proper presentation of matters comprising the same.
- Promote an opportune and sufficient delivery of information to the Members of the Board of Directors through the Secretary of the Board.
- Preside meetings and debates.
- Monitor that the Board of Directors efficiently establishes and implements the strategic management of the Company.
- Promote the government actions of the Company, acting as a link between shareholders and the Board of Directors, when necessary.
- Monitor the decisions of the Board of Directors and its duties that so require.
- Monitor the active participation of members of the Board of the Directors.
- Act as spokesperson and representative of the Board of Directors before Management.
- Lead the annual evaluation process of the Board of Directors and its Committees, except his own evaluation.
- All other functions established by the Law, Bylaws, these Regulations and all other corporate governance documents of the Company.

The meeting for decisions of the Board of Directors shall be attended by the President of the Corporation and may be attended by the Tax Auditor when summoned, but none of them shall be entitled to vote, or receive any special remuneration for their attendance.

3.3. Summons

The schedule and thematic agenda of regular meetings of the Board of Directors shall be agreed upon in advance for each calendar year, for which the frequency, time and date of each of the meetings **as well as the issues or topics to be dealt with** shall be indicated, being able to be exceptionally modified when so required.

The secretary of the Board shall confirm the summons for Directors at least two calendar days prior to the date of the respective meeting. Said summons may be made through electronic means or by phone to the mail addresses and/or phone numbers registered by each of the members in the General Secretariat. Documents related to policies of the Corporation shall be previously sent to the Directors, for their knowledge and analysis.

3.4. Quorum

The Board of Directors shall validly deliberate and decide with the presence and votes of the majority of its members. Each of the Main Directors and Alternates in practice shall be entitled to vote. In case of a tie, the consideration of the matter shall be postponed for the next meeting, and in case of a new tie, it shall be deemed denied.

3.5. Functions

The Board of Directors shall be in charge of: a) Freely appointing and removing the President and Executive Vice-presidents of the Corporation and indicating their remuneration; b) Creating when deemed convenient, the position of Vice-president, indicating his functions, freely appointing and removing the persons that must perform the same and establishing the respective remuneration; c) Creating Committees to study and decide on certain matters, as well as conferring the appropriate powers corresponding to them, and indicating the remuneration of its members. These permanent or temporary Committees may be comprised of members of the Board of Directors and/or external members. d) Decreeing the establishment and the suppression of branches within the National territory or outside it, subject to compliance with the requirements established in the Law; and indicating the powers of the Manager and its Advisory Committee, if it deems convenient to create the Committee, as well as regulating the operation of each branch. Likewise, ordering the opening and suppression of Agencies or departments of the Corporation anywhere; e) Summoning the General Assembly to special meetings when deemed convenient and when so required by a plural number of shareholders representing, at least, one fourth of placed shares. In this last case, the call shall be made within ten (10) days following the day that the request is submitted to the consideration of the Board; f) Submitting for approval at regular meetings of the General Assembly the year-end balance sheet; in full detail of the profit and loss account; and a profit sharing proposal; g)

Submitting to the same General Shareholders Assembly a report on the economic and financial situation of the Corporation, including all accounting and statistical data required by Law, as well as on the progress of business and reforms and extensions it deems necessary for the better development of the corporate purpose. This report may be the same formulated by the President, if he so agrees, or a different or complementary report; h) Determining when and on what grounds are reserved shares or those issued subsequently launched to the market, unless the General Shareholders Assembly gives special use to said shares; i) Authorizing the taking of national or foreign loans and the issuance of bonds, indicating the amount thereof, the nominal value of each bond, the place and form of payment, the amortization system and other issuance conditions; j) Regulating all related to the special fund for rewards, pensions and aid for employees; k) Complying and enforcing the decisions of the General Assembly and its own; and acting as permanent advisory body of the President of the Corporation; l) Authorizing the President of the Corporation to encumber, mortgage or pledge the real or personal property of the company; m) Deciding whether the differences occurring due to the fiscal year are compromised or settled; and, authorizing the President of the Company to enter into such agreements and carry out the actions they involve. When there are differences between the Corporation and one of its shareholders due to the corporate agreement, appointing the arbitrator or arbitrators that it must designate and the proxy that must represent it before the Arbitration Court; n) Empowering the President of the Corporation to carry out or enter into any action or agreement, other than those indicated in the previous subparagraphs. However, the Board of Directors may authorize the President to freely carry out or enter into any actions or agreements for the amounts it deems convenient; ñ) Exercising all other functions indicated in these bylaws and those necessary or convenient for the proper management of corporate business and of companies in which it is interested, since the Board of Directors is deemed to have broad powers to make, execute or enter into, and control compliance with any action or agreement expressly or legally comprised within the corporate purpose, as defined in article 3 of these bylaws and not expressly attributable to the General Shareholders Assembly; o) Authorizing the President to permanently or temporarily delegate any of his powers and functions to one or several of the officials or employees of the Corporation. To give this authorization, the request shall be duly reasoned and shall accurately indicate the power or function to be conferred and the official or employee of the Corporation who shall receive such power; p) Adopting the specific measures regarding the governance of the company, its conduct and information, in order to ensure the respect for the rights of those investing in its shares or in any other securities issued, the proper management of its matters and the public knowledge of its management; q) Ensure proper exercise of the rights of all shareholders and other securities investors, in accordance with the parameters established by the market regulating bodies; r) Approving a Code of Good Governance containing all rules, policies and mechanisms required by law, the regulations, the General Shareholders Assembly, the bylaws, and in general good corporate governance practices; s) Processing and giving written response to the proposals submitted to the board of directors by a plural number of shareholders representing, at least, five percent (5%) of subscribed shares, clearly indicating the reasons for such decisions, provided

that such proposals are not aimed at matters related to industrial secrets or strategic information for the development of the company; t) Authorizing the donations that the Corporation must make, acting within the authorization granted by the Assembly for such purpose; u) Approving the operations with shareholders, managers and relatives thereof, under the conditions established in article 122 of the Organic Statute of the Financial System, and the rules amending or replacing the same.

3.6. Responsibilities before the Internal Control System

The Board of Directors shall comply with the function required, in relation to the Internal Control System, by the law or the provisions issued by the supervision and self-regulatory entities.

In any case, the Board of Directors shall be responsible for the definition and approval of general strategies and policies related to the internal control system, as well as ensuring that they are adjusted to the needs of the entity, allowing it to properly develop its corporate purpose and achieving its objectives, under security, transparency and efficiency conditions.

3.7. Assessment

The General Shareholders Assembly will evaluate the management of the Board of Directors through the study and approval of the management report that must be submitted for its consideration at the end of each accounting year.

The Board of Directors may establish other mechanisms and methodologies to evaluate, at least once a year, its management and the Board's committees management. In case of establishing the same, the results of said evaluation shall be submitted by the President of the Company before a regular meeting of the General Shareholders Assembly in the management report. Notwithstanding the foregoing, at least every two (2) years the Board of Directors and its Committees shall be evaluated by an external advisor.

3.8. Committees of the Board of Directors

For purposes of supporting compliance of its functions, the Board of Directors may create permanent or temporary committees that shall operate under its management and dependence, which may be comprised of the members of the Board of Directors and/or external members. The committees, through their President, shall submit periodic reports to the Board of Directors on the development of their activities.

For the creation of its Committees, the Board of Directors shall take into account, among other factors, the profiles, knowledge and professional experience of the members appointed to integrate the same, in relation to the matters to be addressed by the Committee.

3.8.1. Audit Committee

The Audit Committee is a body depending upon the Board of Directors, which serves as support in decision-making concerning the definition of general strategies and policies related to the Internal Control System of Corporación Financiera Colombiana.

This Committee is in charge of the assessment of the internal control of the Corporation, as well as its continuous improvement, without involving a substitution of the responsibility that collegiately corresponds to the Board of Directors.

The Audit Committee shall have the following main functions:

- Propose for approval of the Board of Directors or the body acting as such, the structure, procedures and methodologies necessary for the operation of the SCI.
- Submit to the Board of Directors the recommendations on general strategies and policies related to the SCI.
- Submit to the Board of Directors or the body acting as such, the proposals related to the responsibilities, powers and limits assigned to the different positions and areas regarding the management of the SCI, including risk management.
- Assess the structure of the internal control of the entity to establish whether the designed procedures reasonably protect the assets of the entity, as well as the third-party assets it manages and protects, and whether there are controls to verify that transactions are being properly authorized and registered.
- Review the plans and requirements of resources of the internal control activity submitted for its consideration by the comptroller's office and, in general, the annual operations budget of the comptrollership area, as well as the possible impact of any resource limitation.
- Inform the Board of Directors or the equivalent body of the failure to comply with the obligation of managers to provide the information required by control bodies for the exercise of their functions.
- Ensure that the preparation, presentation and disclosure of financial information are adjusted to the provisions of the applicable rules, verifying that there are necessary controls.

- Study the financial statements and prepare the corresponding report to submit it to the consideration of the Board of Directors, based on the assessment not only of the corresponding projects, with their notes, but also of rulings, observations of control entities, results of assessments made by competent committees and other documents related thereto.
- Propose to the Board of Directors programs and controls to prevent, detect and properly take care of fraud and misconduct risks, fraud being an intentional act committed to obtain an unlawful profit, and misconduct the breach of laws, regulations or internal policies, and assess the effectiveness of said programs and controls.
- Supervise the functions and activities of the Comptroller's Office or the body acting as such, for purposes of determining its independence and objectivity in relation to the activities being audited, determine the existence of limitations hindering its proper performance and verify whether the scope of its labor satisfies the entity's needs for control.
- Perform monitoring on risk exposure levels, their implications for the entity and measures adopted for their control or mitigation, at least every six (6) months, or with a greater frequency, as appropriate, and submit to the board of directors a report on the most important matters of the management carried out.
- Assess the internal control reports made by the comptroller's office or other bodies, verifying that the management has taken care of its suggestions and recommendations.
- Perform monitoring of compliance with the instructions given by the Board of Directors in relation to the SCI.
- Request the reports it deems convenient for the proper development of its functions.
- Analyze the operation of information systems, their reliability and integrity for decision-making.
- Determine, when necessary, the methodology pursuant to which it shall develop the appropriate functions.
- All other functions established by the Board of Directors or corresponding functions in accordance with the legal provisions.

The Committee shall submit the reports it deems necessary and those established by the law, the Board of Directors or control bodies. In any case, it shall submit the following:

- Periodic reports to the Board of Directors on risk management in the entity and measures adopted for the control or mitigation of most relevant risks, at least every six (6) months or with a greater frequency, as appropriate.
- When situations of a significant importance are detected, a special report to the Board of Directors or its equivalent and to the legal representative.
- The report that the Board of Directors shall submit to the highest corporate body regarding the operation of the SCI, which shall include, among others:

General policies established for the implementation of the SCI of the entity.

Process used for the review of the SCI effectiveness, with express mention of the matters related to risk management.

Most relevant activities developed by the Audit Committee.

Material deficiencies detected, recommendation formulated and measures adopted, including among others, those that may affect the financial statements and management report.

Observations formulated by supervisory bodies and penalties imposed, as the case may be.

Existence of the Comptrollership area and assessment of the work made by the same, including, among others, the scope of the work developed, the independence of the function and resources assigned.

- To the General Shareholders Assembly, through the Board of Directors, the candidates to Tax Auditor, notwithstanding the right of shareholders to present other candidates at the respective meeting. In that sense, the function of the Committee shall be to collect and analyze the information provided by each of the candidates and submit to the consideration of the highest corporate body, the results of the study made.

To comply with its functions, the Audit Committee may contract independent specialists in the specific cases it deems convenient.

The committee shall consist of at least three (3) members of the Board of Directors with experience and knowledge on matters related to the SIC, designated by said corporate body for periods of one (1) year. Most members must be independent.

The members of the Committee may be reelected as often as deemed suitable by the Board of Directors and, in any case, they shall be deemed to be reelected and shall continue exercising their functions until a new appointment is made.

When for any reason a member of the Audit Committee ceases to be a member of the Board of Directors, that member shall lose such capacity ipso facto, being the Board of Directors required to make the appointment of the person that will replace him during the remaining period.

The Committee shall appoint one of its members as President, who shall be in charge of presiding meetings, summoning meetings, signing minutes with the Secretary and, in general, representing the Committee in the required circumstances. In the absence of the President, the member duly appointed by the Committee may act as such.

The person acting as Comptroller of the Corporation shall act as Secretary of the Audit Committee and, in his absence, the person appointed by the Committee for such purpose.

The members of the Board of Directors that, by designation thereof, attend the Committee as permanent guests, shall receive the fees established by the General Shareholders Assembly for the attendance to committee meetings.

There shall be quorum to deliberate and decide with the presence of two (2) members of the Board of Directors that belong to the Committee.

The Directors attending as guests shall not be taken into account for quorum integration purposes.

The Committee shall meet at least every three (3) months. In any case, it may meet with a greater frequency when so required by the SCI assessment results.

The annual schedule of regular meetings shall be approved by the Committee and informed to the Board of Directors and management.

Any official of the entity or the Tax Auditor may be called to the meetings of the Committee, in order to provide relevant information on the corresponding matters.

The Secretary of the Committee shall be in charge of calling the members of the Committee to its meetings and summoning all other persons that must attend the same, as well as collecting and sending the information to be analyzed at such meetings.

The decisions and actions of the Audit Committee shall be recorded in minutes, which shall comply with the provisions of article 189 of the Code of Commerce. The documents known by the Committee that are support for its decisions shall be an integral part of these minutes, therefore, in case they are

not transcribed, they shall be submitted as annexes thereof. Thus, whenever minutes are delivered, the interested party shall be provided with both the body and all annexes, which must be properly identified and numbered, and be kept pursuant to proper conservation and custody measures.

3.8.2. Corporate Governance and Sustainability Committee

The Corporate Governance and Sustainability Committee is a supporting body to the management of the Board of Directors, to which responsibilities are allocated with the aim of adopting Corporate Governance measures and the Corficolombiana sustainability model.

The Corporate Governance and Sustainability Committee does not replace the responsibility of the Board of Directors and Management on the supervision and implementation of good practices of corporate governance and sustainability. In this sense, its responsibility shall be limited to serve as support for the governing body in decision-making.

The functions of the Corporate Governance and Sustainability Committee are classified in two groups: i) corporate governance functions, and ii) sustainability functions.

i). Corporate Governance Functions

- Promote that the shareholders and general market have complete, accurate and timely access to the information of the Corporation that must be disclosed.
- Inform on the performance of the Audit Committee
- Review and evaluate how the Board of Directors fulfilled its duties during the period.
- Monitor the negotiations made by members of the Board with shares issued by the Corporation or by its affiliates.
- Oversee the proper observance of the compensation policy of the members of the Board of Directors and its legal representatives.
- Promote, when deemed convenient, the adoption of mechanisms or measures seeking the improvement of good corporate governance standards.
- Ensure that the General Shareholders Assembly is called, when so requested by the minority shareholders in accordance with the requirements established in this Code.

- Ensure that the measures guaranteeing equal treatment of all shareholders at Regular General Meetings are adopted and disclosed.
- Submit the reports requested by the Board of Directors and comply with all other functions it decides to assign thereto in accordance with its objective.
- Adopt the measures deemed necessary for its operation, within the guidelines established by the Board of Directors.
- Ensure, in general, compliance with the rules contained in this Code of Good Governance.

At the request of the Board of Directors and with full respect for the autonomy that legally and statutorily corresponds to the General Shareholders Assembly, to appoint and elect the Board of Directors in the exercise of its powers, the Committee may issue an opinion or recommend on:

- The skills, knowledge and experience of candidates aspiring to be appointed as members of the Board of Directors of the company.
- Propose and review the criteria to be followed for the composition of the Board of Directors, and the evaluation of the suitability of the candidates for board member proposed by the shareholders.
- Inform, when appropriate, of the independent qualification of the candidates for member of the Board of Directors, for their proposal to the General Shareholders Assembly by the Board of Directors or directly by the shareholders.
- Review in cases of re-election or ratification of members of the Board of Directors, the evaluation of the work that the proposed member has been performing, and the effective dedication to the position during the last period.
- Review the remuneration of the members of the Board of Directors and make the relevant recommendations.
- Formulate the annual report on the remuneration of the members of the Board of Directors.
- Support the Chairman of the Board of Directors in carrying out the annual evaluation (self-evaluation or external evaluation) of said body, review the results of the process, and formulate suggestions for the best functioning of the same.

ii) Sustainability Functions

- Support the administration carried out by the Board of Directors and give Management guidelines with regard to the Company's sustainability model.
- Guide Management in the adoption, follow-up, and improvement of the environmental, economic, and social practices.
- Regularly review the Company's social investment and sustainability commitments and policies, taking into account the responsibilities assumed with stakeholders and the strategy to be followed, observing trends and best practices.
- Ensure compliance with the commitments, policies and other internal standards defined by the Company regarding sustainability and responsible investment.

The committee shall consist of three (3) members of the Board of Directors, appointed by it, with experience and knowledge of subjects related to Corporate Governance and Sustainability. The Corporate Governance Committee shall be presided by the Independent member appointed by the Board of Directors for such purpose.

The person acting as Secretary of the Board of Directors shall act as Secretary of the Corporate Governance Committee, and in his absence, the person appointed by the Committee for such purpose.

The members of the Board of Directors integrating this Committee shall be appointed for periods of one (1) year, notwithstanding that they may be removed at any time, if the Board of Directors so decides. Likewise, they may be reelected as often as deemed relevant by the Board of Directors and, in any case, they shall be deemed to be reelected and continue to hold office provided that no new appointment is made.

When for any reasons, any member ceases to act as a Director, the Board of Directors must proceed to make the appointment of the person who will replace him for the remaining time.

The members of the Board of Directors integrating the Committee shall be entitled to receive the fees established by the General Shareholders Assembly for the attendance to Committee meetings.

There will be quorum to deliberate and decide with the presence of two (2) of the members of the Committee.

The Committee shall meet with the frequency necessary to comply with its functions, but, in any case, at least four times (4) a year.

The Committee is empowered to call to its meetings the officials it deems necessary for the proper performance of its functions.

The Secretary of the Committee is in charge of making the calls or summons to meetings of the Committee by any oral, written, technical or electronic means that is efficient for such purpose.

The decisions and actions of the Corporate Governance and Sustainability Committee shall be recorded in minutes, which shall comply with the provisions of article 189 of the Code of Commerce. The documents known by the Committee that support its decisions shall be an integral part of the minutes, which is why, when not transcribed, they shall be submitted as annexes thereto. Thus, whenever minutes are delivered, the interested party shall be provided both with its body and with all of its annexes, which shall be properly identified and numbered, and maintained under proper conservation and custody measures.

3.8.3. Risk Committee

The Risk Committee is a dependent body of the Board of Directors, which supports the same in the performance of its supervision responsibilities in relation to the risk management of the company.

The Risk Committee shall have the following main functions:

- Inform the General Shareholders Assembly of the risk management of the company, through a special section contained in the management report of the Board of Directors.
- Review and evaluate the integrity and adaptation of the risk management function of the company.
- Review the adaptation of the economic and regulatory capital, when appropriate.
- Review the risk limits and risk reports, making relevant recommendations to the Board of Directors and/or Audit Committee.
- Propose to the Board of Directors the risk policy of the company.
- Systematically assess the strategy and general risk policy in the company, translated into the establishment of limits by type of risk and business, with the disaggregation level established by business, corporate or economic groups, customers and areas of activity.

- Analyze and assess the ordinary risk management of the company, in terms of limits, risk profile (expected loss), profitability and capital map (capital at risk).
- Analyze and evaluate the risk control systems and tools of the company.
- Formulate improvement initiatives deemed necessary on infrastructure and internal risk management and control systems.
- Submit the proposals for delegation rules to the Board of Directors for the approval of the different types of risks it must assume or to other lower levels of the Company, whenever necessary.
- Inform the Board of Directors on the operations it must authorize by law or by regulations or internal or external provisions, when appropriate.
- Assess and follow the indications formulated by the supervising authorities in exercise of its function.
- Promote the adaptation of the risk management of the company to an advanced model allowing for the configuration of a risk profile according to the strategic objectives and a follow-up to the adaptation degree of risks assumed by such profile.

The committee shall consist of three (3) members of the Board of Directors, appointed by it, with experience and knowledge of subjects related to risk management. The Risk Committee shall be presided by the member appointed by the Board of Directors for such purpose.

The person acting as Secretary of the Board of Directors shall act as Secretary of the Risk Committee, and in his absence, the person appointed by the Committee for such purpose.

The members of the Board of Directors integrating this Committee shall be appointed for periods of one (1) year, notwithstanding that they may be removed at any time, if the Board of Directors so decides. Likewise, they may be reelected as often as deemed relevant by the Board of Directors and, in any case, they shall be deemed to be reelected and continue to hold office provided that no new appointment is made.

When for any reason, any member ceases to act as a Director, the Board of Directors must proceed to make the appointment of the person who will replace him for the remaining time.

The members of the Board of Directors integrating the Committee shall be entitled to receive the fees established by the General Shareholders Assembly for the attendance to Committee meetings.

There will be quorum to deliberate and decide with the presence of two (2) of the members of the Committee.

The Committee shall meet with the frequency necessary to comply with its functions, but, in any case, at least twice (2) a year.

The Committee is empowered to call to its meetings the officials it deems necessary for the proper performance of its functions.

The Secretary of the Committee is in charge of making the calls or summons to meetings of the Committee by any oral, written, technical or electronic means that is efficient for such purpose.

The decisions and actions of the Risk Committee shall be recorded in minutes, which shall comply with the provisions of article 189 of the Code of Commerce. The documents known by the Committee that support its decisions shall be an integral part of the minutes, which is why, when not transcribed, they shall be submitted as annexes thereto. Thus, whenever minutes are delivered, the interested party shall be provided both with its body and with all of its annexes, which shall be properly identified and numbered, and maintained under proper conservation and custody measures.

3.8.4. Appointment and Compensation Committee

The Appointment and Compensation Committee is a body that supports the management of the Board of Directors, through which the adoption of Human Management policies will be ensured, aimed at the promotion, compensation and retention of human talent, respect for diversity and inclusion, and in the formation of teams of the highest personal, professional and technical qualities.

The Appointment and Compensation Committee shall have the following functions primarily:

- To report to the General Shareholders Assembly, through the Board of Directors, on its actions, and to attend to the questions raised by the shareholders in matters within their competence.
- Support the management carried out by the Board of Directors and give guidelines to the Administration related to the human management model of the Company.
- Guide the Administration in the adoption, monitoring and improvement of practices in the field of talent and human management.

- Periodically review the commitments and policies of human management of the Company, considering the strategy to be followed, and in accordance with trends and best practices.
- Propose modifications to the Human Resources Policy of the company, for consideration and approval of the Board of Directors. In this sense, and depending on the circumstances of time and relevance, and in case of request or requirement of the Board of Directors, the Committee may: Complement the succession policy of the members of the Board of Directors and Senior Management and other key executives; evaluate candidates and propose the appointment and removal of the President of the Company; and propose the objective criteria by which the company hires and remunerates its key executives.
- Ensure compliance with the commitments, policies and other internal rules defined by the Company, in matters of human management.
- Lead an annual performance evaluation based on the annual objectives that were set for the President of the Corporation and Senior Management.
- Formulate the Annual Report, when appropriate, on the remuneration of Senior Management

The Committee shall be composed of three (3) members of the Board of Directors, and at least two (2) of them shall have the status of independent member. It shall be chaired by an independent member.

The Secretary of the Board of Directors shall act as the Secretary of the Risk Committee and, in his absence, the person designated by the Committee for that purpose.

The members of the Board of Directors who are part of this Committee will be appointed for a period of one (1) year, without prejudice to being able to be removed at any time, if the Board of Directors so decides. Likewise, they may be re-elected as many times as the Board of Directors deems appropriate and, in any case, it will be understood that they have been and will remain in their position until a new appointment is made.

When for any reason any of the members loses the status of Director, the Board of Directors must proceed to make the appointment of who must replace him for the remaining time.

The members of the Board of Directors who are part of the Committee shall be entitled to the fees established by the General Shareholders Assembly for attending Committee meetings.

There shall be a quorum to deliberate and decide with the presence of two (2) of the members of the Committee.

The Committee shall meet two (2) times a year, and extraordinarily when required at the request of the Administration, or of the members of the Committee. The Appointments and Compensation Committee may hold virtual meetings on the same terms established for virtual meetings of the Board of Directors.

The meetings of the Committee shall be attended by the President and Executive Vice-President of the Company, who shall have a voice, but not a vote, and as guests or participants those collaborators of the Company and independent advisors to whom the Committee has assigned specific activities.

The Secretary of the Committee is responsible for convening or summoning the meetings of the Committee by any oral, written, technical or electronic means that is effective for this purpose.

The decisions and actions of the Appointment and Compensation Committee must be recorded in minutes, which must comply with the provisions of article 189 of the Code of Commerce. The documents known to the Committee that support its decisions must form an integral part of the minutes, therefore, if they are not transcribed, they must be presented as annexes. Thus, each time a record is delivered, the interested party must be provided with both the main body of the same and all its annexes, which must be properly identified and numbered, and kept under appropriate conservation and custody measures.

3.9. Internal Regulations of the Board of Directors

The Board of Directors approved its internal regulations, which includes measures on the summons and operation of its meetings, both regular and special, which shall be published in the website of the Corporation and shall complement the provisions of this Code.

4. LEGAL REPRESENTATIVES AND EXECUTIVES

The governance, management and representation of the Corporation shall be under the responsibility of the President, in accordance with the provisions of the bylaws and the Board of Directors.

The President shall be replaced in his absolute, temporary or accidental absences by the Vice-presidents appointed by the Board of Directors.

4.1. Election

The President shall be appointed by the Board of Directors, and may be indefinitely reelected or freely removed at any time.

The Corporation may have one or more Executive Vice-presidents and one or several Vice-presidents, as deemed necessary by the Board of Directors.

The election of the President and legal representatives shall be made by the Board of Directors, based on the following criteria: Managerial capabilities of the candidate, technical knowledge, negotiation skills, human values and virtues and remuneration conditions. The same criteria shall apply to all other officials whose appointment corresponds thereto.

For purposes of the possession of legal representatives, the corresponding résumé shall be sent to the Finance Superintendence of Colombia, who shall make the prior scrutiny of the professional qualifications and moral solvency of the appointed person, in accordance with the parameters and competencies indicated by the law for such purpose.

4.2. Functions

The President of the Corporation, or the person acting as such, shall have the following functions: a) Represent the Corporation in or out of court and use the corporate signature; b) Call the General Shareholders Assembly and the Board of Directors to special meetings when deemed convenient; c) Submit to the General Shareholders Assembly at its regular meetings a detailed report on the general progress of business, on reforms introduced and those that, in its absolute discretion, are inconvenient to implement in its working methods and on perspectives of the same businesses; d) Jointly submit with the Board of Directors, the accounts, inventories and balance sheet of each year, with a profit sharing proposal or liquid loss cancellation and the report referred to in the previous subparagraph; e) Maintain the Board of Directors permanently and thoroughly informed of the progress of corporate business and provide all data and reports requested by it; f) Grant the necessary powers for the immediate defense of the corporate interest when the Corporation is sued and inform the Board of Directors so it may definitely decide regarding the appointment of the attorney-in-fact and his powers; g) Comply with and enforce the decisions of the General Shareholders Assembly, the Board of Directors and the Committees it creates and ensure that the employees and other officials of the company timely comply with their corresponding duties; h) Enter into all agreements and execute all actions aimed at compliance with the corporate purpose; therefore he may dispose of on any account the corporate property; real and personal property and pledge or mortgage the same; appear at trial, and compromise any type of corporate business; withdraw or file any type of remedy; receive on loan any amount of money, make deposits in banks and banking agencies; grant, send, endorse and discount promissory notes, bills of exchange, checks, drafts, orders and other bonds, as well as holding, charging, paying, discharging the same, etc.; give money on loan and in general perform the representation in all actions necessary for the development of the corporate purpose, within the powers conferred by the Board of Directors for such purpose; i) Organize, in accordance with the reg-

ulations established by the Board of Directors, all matters related to rewards, pensions, aids and benefits of employees; j) Appoint the employees deemed necessary for the proper operation of the Corporation and which appointment is not delegated by these bylaws to the General Shareholders Assembly or the Board of Directors, indicate their functions and salaries; k) Exercise all functions delegated by the Board of Directors, those conferred by the laws and these bylaws; and those naturally under his responsibility; and l) Delegate with prior authorization from the Board of Directors, any of his delegable powers to one or several officials or employees of the Corporation, temporarily or permanently. For such purpose, the request to the Board of Directors shall be duly motivated and accurately contain the power or function to be delegated and the official or employee of the Corporation that shall be entrusted with such power; m) Submit to the Board of Directors and ensure permanent compliance with, the specific measures regarding the governance of the company, its conduct and information, in order to ensure respect for the rights of those who invest in their shares or in any other bond they issue, the proper management of its affairs and public knowledge of its management. n) Ensure respect for the rights of shareholders and others investors in securities, in accordance with the parameters established by the market control bodies. ñ) Provide the market with timely, complete and accurate information of the financial statements and corporate and administrative behavior, notwithstanding the provisions of articles 23 and 48 of law 222/1995. o) Collect in a Code of Good Governance that shall be submitted to the Board of Directors for approval, all rules and mechanisms required by the law, regulations, the General Shareholders Assembly, bylaws, and in general the best corporate governance practices. This Code shall be permanently maintained at the facilities of the Corporation at the disposal of shareholders and investors for consultation.

Likewise, the President must assume the responsibilities and comply with the functions that in relation to the Internal Control System are established by the law or provisions issued by supervisory and self-regulation bodies, being, in general, responsible for implementing control and disclosure procedures, verifying their efficiency inside the entity and proper operation.

4.3. Remuneration

The remuneration of the President and Vice-presidents shall be determined by the Board of Directors, in accordance with the criteria related to their levels of responsibility and management.

4.4. Report and Assessment of the President and Board of Directors

The President shall submit to the General Shareholders Assembly, at the end of each financial year, a detailed report on the operation of the Corporation, after being considered by the Board of Directors. The report must contain an accurate presentation of the evolution of business and the economic, administrative and legal situation of the Entity, as well as the foreseeable evolution of the company, the operations

carried out with partners and managers, status of compliance with intellectual property and copyright rules. The general, individual and consolidated purpose financial statements will be assessed with the report, as well as its notes and the opinion of the Tax Auditor, with cut-off at the end of the respective year.

Likewise, the appropriate reports shall be submitted to the Board of Directors, as well as the financial statements at the close of each month.

The General Shareholders Assembly is the highest governing authority of the entity. To such extent, it is in charge of determining the mechanisms for the assessment and control of activities of managers and senior executives. Likewise, the General Shareholders Assembly is empowered to exercise control over said activities and carry out the examination of the entity's situation, within the limits established by law.

The General Shareholders Assembly shall evaluate the management of the Board of Directors through the study and approval of the management report that must be submitted to its consideration on the cut-off date of every financial year.

The General Shareholders Assembly shall carry out the examination, approval or disapproval of the year-end financial statements and accounts that must be submitted by the President of the entity and the Board of Directors and, therefore, shall assess the management of directors, managers and senior executives.

The shareholders and investors may obtain a copy of the Management Report at the Secretary's Office of the Corporation. Likewise, the market may obtain it in the stock markets or be consulted on the website of the company: www.corficolombiana.com

5. SUSTAINABILITY POLICY

Corficolombiana understands sustainability as the premise upon which it defines its actions and guides its decision-making processes. In Corficolombiana, sustainability refers to the commitment to the generation of economic, social and environmental value to ensure profitability for its shareholders and, at the same time, to contribute to the well-being and progress of present and future generations.

Regarding economic value, we look for opportunities and generate profitability in the short and long term for our stakeholders. The environmental value in Corficolombiana refers to the conviction of protecting, maintaining, preserving and developing the ecosystems where we carry out our business activities. Social value refers to the contribution we make to our employees, society and the communities where our business is developed. We generate a better quality of life that promotes the capabilities of current and future generations.

Corficolombiana recognizes that its actions impact its stakeholders and therefore understands its corporate social responsibility as the foundation of its actions.

The present policy is aligned with our Corporate Governance principles and permeates the entire organization, which is why it must be deployed towards affiliates as much as possible.

This policy has also been defined taking as a guide international tools and standards on these matters such as the Dow Jones Sustainability Index (DJSI), Global Reporting Initiative (GRI), United Nations Global Compact, Principles of Responsible Investment (PRI), among others.

Likewise, the main material matters of the Corporation were analyzed:

1. Economic Performance
2. Market Presence
3. Regulatory Compliance
4. Risk Management
5. Ethics, Conduct and Transparency
6. Good Governance
7. Anticorruption
8. Employability
9. Training and Education
10. Labor and Human Rights Conditions
11. Occupational Health and Safety
12. Inclusion, Diversity and Equal Opportunity
13. Environmental Impact Management: Emissions, Energy, Water, and Materials
14. Local Communities Development
15. Relationships with Stakeholders

From the analysis of these material matters, the pillars on which the policy is framed and the stakeholders who are impacted were defined. These are:

1. We generate and manage efficient and profitable investments that drive the country's development
2. We ensure ethical and responsible decision making
3. We promote the well-being of our employees
4. We enhance our environment and the good use of resources
5. We build relationships of trust with our stakeholders who include shareholders, parent company, customers, employees, investments, media, providers, government and regulatory bodies.

These pillars have a direct impact on the United Nations Sustainable Development Goals (SDGs) for which the following have been determined as priorities for Corficolombiana:

- **SDG 8 Decent Work and Economic Growth:** We promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- **SDG 9 Industry, Innovation and Infrastructure:** We recognize investment in infrastructure (transport, irrigation, energy, information and communications technology) and innovation as a main driver of economic growth and development
- **SDG 12 Responsible Consumption and Production:** It is about ensuring sustainable consumption and production patterns, promoting the efficient use of resources and energy, building environmentally friendly infrastructure, improving access to basic services and creating green, fairly paid jobs with good working conditions
- **SDG 15 Life on Land:** It refers to protecting, restoring and promoting sustainable use of terrestrial ecosystems, sustainably managing forests, protecting biodiversity, and raising awareness on environmental protection.

5.1. Objectives

The objectives of the Sustainability Policy are:

- Define sustainability as the core of Corficolombiana's mission and organizational culture.
- Generate economic, social and environmental value for our stakeholders and society in general.
- Improve the transparency and visibility of Corficolombiana's sustainability actions, positively impacting its business reputation.
- Incorporate environmental, social and corporate governance aspects into the criteria for our investment decisions.
- Help our portfolio investments improve their performance in managing environmental and social risks and impacts.

5.2. Sustainability Policy Guidelines

The sustainability policy is set out taking into account the following guidelines:

- Corficolombiana investments shall be made incorporating within the analysis and due diligence Environmental, Social, and Corporate Governance principles - ESG.
- Current investments shall measure their environmental and social risks and impacts.
- Measurement of the carbon footprint of Corficolombiana's operations, in order to define an action plan to reduce it.
- Social and environmental investment in Corficolombiana shall be focused on strategic sectors for the Corporation. Priority will be given to programs that strengthen business management, growth and sustainability, financial education and the environment. Initiatives may also be developed in other sectors such as education, health, etc., in accordance with the guidelines of its matrix.
- In its social and environmental investment, the Corporation shall favor projects with a direct impact on the communities in which it operates.
- The definition of monitoring and follow-up systems to measure the social and environmental impact of the activities of the Corporation and its affiliates is a priority. To this end, key performance indicators shall be established to measure and assess policy progress.
- The Corporation shall carry out its operations within a framework of respect and protection of human rights, as well as the promotion of gender equality.
- The actions undertaken by Corficolombiana regarding sustainability shall be effectively communicated to the internal and external public through different means and channels.

5.3. System and Persons Responsible for Policy Management

The approval of Corficolombiana's sustainability policy is responsibility of the Board of Directors, prior analysis of the Corporate Governance and Sustainability Committee, and its implementation is responsibility of the Presidency through the Sustainability Committee formed by the Corporation's Investment Vice-Presidency, the Executive Vice-Presidency, the General Secretary - General Counsel, Human Resources Management, the Public Relations and Communications Department, the Investor Relations Department, and the Sustainability Department.

It is the responsibility of the Sustainability Department to propose the sustainability policy and to integrate the initiatives of the different areas, as well as being the area responsible for monitoring the initiatives. It is also responsible for proposing guidelines for the implementation of the policy in the Corporation affiliates.

The actions developed within the framework of the sustainability policy shall be voluntary for the Corporation and do not constitute a regulatory or normative duty.

Actions within the framework of the policy may be developed through various ways. In the first place, there is Fundación Corficolombiana as the executor of various of the corporate plans within the framework of the policy. Likewise, given the comprehensive nature of the sustainability matters that involve all areas of the organization, Corficolombiana directly, through areas such as Human Resources, Risks and Compliance, Public Relations and Communications, Investor Relations, among others, may also execute actions within the framework of this policy. Likewise, through the Corficolombiana affiliates, actions are developed that positively impact the implementation of this policy.

6. CONTROL MECHANISMS

The Corporation is subject to both internal and external controls.

6.1. Internal Control

6.1.1. Definition

Internal control is a process carried out by the Board of Directors, the managers and other officials of the Entity, designed to provide reasonable assurance of compliance with the objectives in the following categories:

- Efficacy and effectiveness in operations, and compliance with basic objectives of the entity, protecting its resources, including its own assets, and third-party assets held by the Entity.
- Sufficiency and reliability of financial information, as well as preparation of all financial statements, and
- Compliance with applicable regulations: Legal provisions, bylaws, regulations and internal instructions.

6.1.2. Principles of the Internal Control System

The principles of the Internal Control System (SCI) constitute the basic and essential foundations and conditions that guarantee its effectiveness in accordance with the nature of authorized operations, pertinent functions and characteristics, and are applied for each of the aspects referred to in this chapter.

In consequence, in the design and implementation or review or adjustments of the SCI, these principles shall be included, documented with the pertinent support and be available at the disposal of the Finance Superintendence of Colombia:

➤ **Self-control**

It is the capacity of all and each of the officials of the organization, regardless of their hierarchical level to assess and control their work, to detect deviations and make corrections in the exercise and compliance with their functions, as well as to improve their tasks and responsibilities.

In consequence, notwithstanding the responsibility attributable to the managers in the definition of policies and in the arrangement of the design of the SCI structure, it is worth highlighting the duty corresponding to all and each of the officials within the organization, who in exercise of their functions and with the application of proper operating procedures shall ensure compliance with the objectives established by management, always subject to the limits established by it.

➤ **Self-regulation**

Refers to the capacity of the organization to internally develop and apply methods, rules and procedures for the development, implementation and improvement of the SCI, within the framework of applicable legal provisions.

➤ **Self-management**

Refers to the capacity of the organization to effectively and efficiently construe, coordinate, execute and assess its operation.

Based on the aforementioned principles, the SCI establishes the actions, policies, methods, procedures and mechanisms for prevention, control, assessment and continuous improvement of the entity that allow it to have a reasonable assurance of the achievement of its objectives, pursuant to the rules governing the same.

6.2. Internal Control Bodies

6.2.1. Audit Committee

For the proper performance of obligations corresponding to the Board of Directors, in the definition of policies and design of Internal Control procedures, as well as in the supervision of the operation of said

systems, the Board of Directors has the support of the Audit Committee subject to such body, which composition and functions are indicated in another section of this Code.

6.2.2. Internal Audit or Comptrollership

The internal audit must assess and contribute to the improvement of risk management, control and governance processes of the entity.

Risk Management. Must assess the efficiency of the risk management system of the organization and the risk exposures related to governance, operations and information systems of the organization.

Internal Control System. Must assist the organization in the maintenance of effective controls, by assessing the efficiency and effectiveness thereof and promoting continuous improvement, notwithstanding the self-assessment and self-control corresponding to each official of the organization.

Corporate Governance. Must assess and make pertinent recommendations to improve the corporate governance process, for which it must assess the design, implementation and efficiency of objectives, programs and activities of the organization.

To guarantee its independence, the Comptroller shall report directly to the Presidency of the Corporation, and its election, when applicable, shall be made by the Board of Directors from candidates presented by Management, in accordance with the staff selection criteria of the Corporation.

The findings of the Comptroller's Office shall be reported to the President's Office and Audit Committee, as the case may be.

6.2.3. Compliance Officer

In order to have proper mechanisms for Money Laundering and Terrorism Financing risk management, the Board of Directors, which is in charge, among others, of establishing the policies and adopting the ethics code in relation to the SARLAFT (Money Laundering and Terrorism Financing Risk Management System), as well as ordering the technical and human resources necessary to implement and keep the SARLAFT of the entity operational, has appointed a Compliance Officer, whose main functions are:

- Ensure the effective, efficient and timely operation of stages integrating the SARLAFT.
- Submit, at least on a quarterly basis, written reports to the Board of Directors or the body acting as such, referring at least to the following matters:

- Results of management developed.
 - Compliance in relation to the delivery of reports to the different authorities.
 - Individual and consolidated evolution of risk profiles of risk factors and adopted controls, as well as related risks.
 - Effectiveness of mechanisms and instruments established in this circular, as well as measures adopted to correct defects in the SARLAFT.
 - Results of corrective measures ordered by the Board of Directors or body acting as such.
 - Documents and statements issued by control entities and the Special Administrative Unit of Information and Financial Analysis - UIAF.
-
- Promote the adoption of corrective measures regarding the SARLAFT.
 - Coordinate the development of internal training programs.
 - Propose to management the update of the procedures manual and ensure its disclosure to officials.
 - Collaborate, when required, in the design of methodologies, models and qualitative and/or quantitative indicators of recognized technical value for the timely detection of unusual operations.
 - Assess the reports submitted by the internal audit or who exercises similar functions or acts as such, and the reports submitted by the Tax Auditor and adopt the appropriate measures regarding reported deficiencies.
 - Design SARLAFT segmentation, identification, measurement and control methodologies.
 - Prepare and submit to the approval of the Board of Directors or the body acting as such, the objective criteria for the determination of suspicious operations, as well as those to determine which of the operations carried out by users shall be subject to consolidation, monitoring and analysis of unusualness.

6.2.4. Parent Company

Considering the duties established by External Circulars 014 and 038 issued by the Finance Superintendence of Colombia to the parent company, as to the establishment of guidelines and validation of compliance by the subsidiary of the Internal Control System and of all other systems integrating the same, the parent company may order audits to the Corporation, through its own personnel or the staff of independent audit firms. The cost of these audits, when appropriate, shall be assumed by the Corporation, given their purpose.

6.3. External Control Bodies

External controls refer to those exercised by different supervisory, regulation and control bodies, among others, the Finance Superintendence of Colombia, according to its area of authority, the Tax Auditor and the Financial Consumer Ombudsman.

6.3.1. Finance Superintendence

The Political Constitution provides that the financial and stock market activity and all activities related to the management, exploitation and investment of resources collected from the public may be exercised with the prior authorization of the State. Therefore, in accordance with the current regulations, the Finance Superintendence must, as technical body attached to the Ministry of Finance and Public Credit, exercise the inspection, surveillance and control of those exercising financial activities. Following this line of thought, the Finance Superintendence seeks compliance with the following objectives mentioned in a general way: a) ensures that financial institutions maintain financial health and proper liquidity ratios. b) supervises the activity of monitored entities, ensuring that the provision of the service is made in accordance with the legal rules in terms of security, transparency and efficiency. c) prevents situations that could result in the loss of public trust. d) supervises compliance with prudential regulation mechanisms, particularly regarding affiliates abroad. e) ensures that the activity is developed within good business practices and free market rules, among others.

Likewise, the Finance Superintendence exercises control over the issuance of securities, pursuant to the law. In such sense, the Corporation is subject to the rules governing the public stock market and is obliged to permanently maintain up-to-date the supervisory body, the Colombian Stock Market and the Central Securities Depository, providing year-end information and relevant information, under the terms established by Resolution 400/1995 or the rules modifying or replacing it.

6.3.2. Tax Auditor

The Corporation has a Tax Auditor appointed by the General Shareholders Assembly for a period of one (1) year. The Tax Auditor may be freely reelected or removed by the General Shareholders Assembly.

As a guarantee of transparency in the election of the Tax Auditor of the company and his substitute, if appropriate, shareholders may submit for consideration candidate proposals at the General Shareholders Assembly. Said proposals shall be discussed at the Assembly and after their assessment, the election shall proceed. Proposals shall be from specialized audit firms, with broad and recognized prestige and experience, and shall contain a description of the physical and human resources offered for the devel-

opment of the function, as well as the detail of costs and general and specific conditions in which the service shall be provided. All the foregoing, in order to make an informed and conscious election of existing alternatives.

The agreement entered into by the Corporation with the Tax Auditor shall establish that, in the event of successive reelections, the natural persons designated to exercise the position of main and alternate auditor shall be changed at least every five (5) years and that such persons may only serve again as company tax auditors after a minimum of two (2) years have passed since leaving office.

➤ Functions

The following, among others, are functions of the Tax Auditor: a) Ensure that operations carried out by the company comply with the legal rules, the provisions of the bylaws and the decisions of the General Assembly and the Board of Directors; b) Timely report in writing to the General Assembly, the Board of Directors or the President, as the case may be, the irregularities in the operation of the Corporation and in the development of its business; c) Collaborate with government entities exercising the inspection and surveillance of the Company and provide them with the appropriate reports and documents or those requested from it; d) Ensure that the accounts of the Corporation and books of Minutes of meetings of the General Shareholders Assembly and Board of Directors are regularly kept and that the correspondence and receipts of accounts are duly kept, giving the necessary instructions for the accomplishment of these purposes; e) Regularly inspect the goods of the company and ensure that the measures for their conservation and security and the conservation and security of those it has in its custody or guarantee are timely taken; f) Give instructions, practice inspections and request reports necessary to establish a permanent control on corporate/ social values; g) Authorize with his signature any balance of the Corporation prepared and attach the corresponding opinion and report; h) Call the General Assembly to special meetings when deemed necessary or when requested by a plural number of shareholders representing at least one fourth of subscribed shares; i) Ensure that all insurance policies covering the goods of the Corporation and those encumbered in its favor are timely issued and renewed; j) Ensure that all matters related to compulsory life insurance and retirement pensions, in care of the Corporation, are well organized and function correctly; k) Submit to the General Assembly at its regular meetings, a written report on compliance with its obligations and the result of its work; and l) Ensure that the management of the Corporation complies with the specific obligations established by supervisory bodies, especially with those related to information obligations and the Code of Good Governance. m) Comply with all other functions established by the laws or bylaws and those that, being compatible with the above, are conferred by the General Assembly or Board of Directors.

Likewise, in relation to the Internal Control System, he must exercise the functions and assume the responsibilities established in the provisions issued by supervisory and self-regulation entities.

➤ **Information of the Tax Auditor to the Shareholders on Relevant Findings**

In the terms of article 207 of the Code of Commerce, the Tax Auditor shall inform the shareholders at the General Assembly of material findings, if any, so that the shareholders and other investors have the necessary information to make decisions on the corresponding securities.

➤ **Remuneration**

The General Shareholders Assembly indicates the remuneration of the Tax Auditor, taking into account the human and technical resources he requires for the proper performance of his functions, as well as his prestige and experience.

➤ **Disqualifications, Incompatibilities and Prohibitions**

The disqualifications, incompatibilities and prohibitions indicated by the law and bylaws shall be applicable to the Tax Auditor. In any case, the Tax Auditor may not, on his own account or by proxy, be a shareholder of the entity, or be a relative within the fourth degree of consanguinity, second of affinity, and first degree of kinship by adoption of the President, Vice-presidents, or any member of the Board of Directors, the Secretary, or the cashier, auditor or accountant of the Corporation, or be a co-partner or associate of any of these officials, or individual dependent of any of them. Additionally, he may not perform any other job in the Corporation, or directly or indirectly enter into any agreements therewith.

Furthermore, the assistants of the Tax Auditor by no means may be employees of the Corporation or be related thereto by any contractual modality that may involve subordination to it or to its management.

6.3.3. Superintendence of Industry and Commerce

The Superintendence of Industry and Commerce (SIC) is a technical body attached to the Ministry of Commerce, Industry and Tourism, which has administrative, financial and budgetary autonomy.

The objectives of the Superintendence include, among others, ensuring compliance with the rights of consumers, promoting the improvement of quality and security in goods and services, ensuring compliance with the provisions on restrictive business practices and unfair competition and advising the national government in the formulation of policies related to these matters.

Pursuant to its functions, it must take care of claims or complaints for events affecting competition in the markets and process those significant to improve the efficiency of the national productive system, free choice and access to markets of goods and services by consumers, free participation of companies in markets and variety of prices and quality of goods and services in the market.

In corporate restructuring and integration processes in which only entities supervised by the Finance Superintendence participate, this control body is obliged to require prior to the adoption of the decision, the analysis of the Superintendence of Industry and Commerce on the effect of said operations on free competition.

6.3.4. Stock Market Self-Regulator (AMV)

The Colombian Stock Market Self-Regulator Corporation - AMV (Autorregulador del Mercado de Valores), is a national non-profit private corporation governed by the Constitution, Law 964/2005 and the rules developing and complementing it, the rules of public service entities, by its bylaws and regulations and by the principles applied to self-regulation bodies.

AMV has the mission of contributing to the confidence, transparency, integrity, professionalism and development of the securities and financial assets market, through the self-regulation, certification of market professionals and provision of other services generating added value.

AMV constitutes an important progress in the self-regulation model, for purposes of guaranteeing the balance between the participation of securities intermediaries in the management of the entity and the independence it must have to objectively act for the benefit of the interest of intermediaries, investors and the development of the market in general.

7. REGARDING SHARES, BONDS AND INVESTORS

7.1. Shares

Shares represent the right that shareholders have in the corporate asset, by virtue of compliance with the obligations they have undertaken with the company.

The shares of the Corporation are registered shares and are divided into two types: a) Ordinary Shares and b) Shares with Preferred Dividend and no Voting Right. The holders of shares shall have the same rights in their corresponding type. Shares are dematerialized, pursuant to the rules governing that respect.

Shares are transferable pursuant to the laws, but, for the transfer to become effective in relation to the Corporation and third parties, it shall be recorded in the Shareholder Ledger.

Shares with preferred dividend and no voting right, shall be entitled to receive payment on the benefits of each year as determined by the placement regulations as minimum preferred dividend, once the legal minimum reserve is constituted and before creating or increasing any other reserve, of a sum equal to two percent (2%) annually of the price in Colombian pesos of shares at the time of subscription. Shares with preferred dividend and no voting right may not be convertible into ordinary shares.

Each ordinary share confers the following rights to its holder:

- To participate in the decisions of the General Assembly and to vote therein;
- To receive a proportional share of benefits established by the year-end financial statements;
- To freely trade shares subject to the law and bylaws;
- To freely inspect the books and corporate documents, within fifteen (15) business days prior to the General Assembly in which the year-end financial statements are examined;
- To receive, in case of liquidation of the company, a proportional share of corporate assets, once the external liability of the entity is paid.

7.1.1. Identification of Shareholders

The Corporation keeps a record of the name of shareholders, amount of shares corresponding to each with the respective number of certificates, the disposals and transfers, pledges, usufruct, seizures and lawsuits, as well as any other action subject to registration.

7.1.2. Trading of Shares

Shares are freely negotiable and transferrable pursuant to the law. The disposal shall be completed by the mere consent of contracting parties, but for this action to become effective before the Corporation and third parties, it shall be recorded in the Shareholder Ledger.

To dispose of shares which property is in litigation, the permit from the Judge hearing the respective trial shall be necessary. In case of seized shares, authorization from the plaintiff, in addition to the authorization from the Judge, shall be required.

The managers of the Entity may not on their own account or by proxy, dispose of or acquire shares of the same Entity, while in exercise of their functions, except in case of operations other than for speculation

purposes, and with authorization from the Board of Directors, granted with the favorable vote of two thirds of its members. This restriction does not apply when the manager acquires shares in exercise of the preemptive right.

7.1.3. Repurchase of Shares

The Corporation may only acquire its own shares when receiving them in dation of payment, and the same shall be disposed of under the terms provided by law.

7.1.4. Representation of Shares

Except for cases of legal representation, the managers and, in general, employees of the Corporation, may not represent at the meetings of the General Shareholders Assembly shares other than their own, while in exercise of their functions, or replace the powers conferred to them. Additionally, they may not vote on the financial statements and year-end accounts or liquidation accounts.

In assemblies at which these decisions are voted, the existence of this prohibition shall be previously advised.

7.2. Rights of Shareholders

7.2.1. Equal Treatment

The Corporation offers the same treatment as to petition, claim and information to its shareholders, regardless of the value of their shares, as well as to investors, regardless of the value of their investments.

7.2.2. Call to Shareholders Assembly

A plural number of shareholders representing at least one fifth of subscribed shares, may request a call to a special meeting, indicating the agenda to be discussed. The call request shall be fulfilled by the legal representative or Tax Auditor.

7.2.3. Right to Information and Attention

All shareholders are entitled to receive the same information, with the same detail and at the same time and opportunity, in order to protect their rights. The information to be provided corresponds, on the one hand, to that related to the reports to the Assembly, pursuant to the provisions of the law and this Code in this regard; to the information that is periodically and eventually provided to the Finance

Superintendence and the Stock Market; to the information that is detailed in this Code and to the information requested by the shareholder or investor in accordance with the provisions of the law and bylaws.

7.2.4. Right to Withdraw

When a transformation, merger or spin-off of the company imposes a greater responsibility on shareholders or involves an impairment of their ownership rights, absent or dissident shareholders shall be entitled to withdraw from the company. The exercise of such right shall also proceed in case of voluntary cancellation of the registration in the National Registry of Securities or stock market.

An impairment of the ownership rights of shareholders shall be deemed to occur, among others, in the following cases:

- When the ownership interest of the shareholder in the capital of the company decreases.
- When the equity value of the share decreases or its nominal value falls, provided that in this case, a decrease in capital is produced.
- When the negotiability of the share is limited or reduced.

In any case, the right to withdraw shall be subject to the current regulations.

7.2.5. Request for Intervention of the Finance Superintendence

Minority shareholders representing an amount of shares not exceeding 10% of outstanding shares and who have no representation within the management of the Corporation, may resort to the Finance Superintendence for it to protect their interests, when they consider that their rights have been damaged directly or indirectly by the decisions adopted by the General Shareholders Assembly or by the managers of the company, or when they consider that there are events or circumstances that compromise the protection of their rights or which may cause a damage to the company, pursuant to the provisions of Law 146/1998.

7.3. Bonds

The Corporation may issue Bonds under the terms of Articles 13, letter b) and 133 of the Organic Statute of the Financial System (EOSF). The Bonds issued by the Corporation, according to Article 111, numeral 3, are understood as registered in the National Registry of Securities and Issuers (RNVE) and they may be subject to public offer without requiring the authorization of the Finance Superintendence of Colombia, without prejudice of previously sending the documentation provided in article 133 numeral 1 of the EOSF and Decree 2555/2010.

7.3.1. Rights Incorporated in the Bonds

The Bondholders shall be entitled to receive the interests and reimbursement of their principal, all pursuant to the terms provided in the respective Information Prospectus, which may be consulted in the corporate website.

7.3.2. Summons to the General Bondholders Assembly

The holding of the Bondholders Assemblies shall be governed by the legal standards established for that purpose. The summons to the Bondholder Assemblies shall be made through outstanding publications in broad national circulation newspapers, such as provided in the respective Placement Prospectus of the issuance or through any other suitable means at the criteria of the Finance Superintendence of Colombia that also ensures the broadest dissemination of the summons, with eight (8) business days in advance to the meeting, by informing the Bondholders if it is a first, second or third summons meeting or the term indicated by Decree 2555/2010, place, date, time and agenda of the assembly and any other information or warning applicable in accordance with the provisions of Decree 2555/2010.

The applicable standards for the realization of the assemblies shall be those provided by Decree 2555/2010 and the standards amending, adding to or replacing it and the Information Prospectus, when applicable. Likewise, a group of Bondholders of Corficolombiana S.A., representing at least ten percent (10%) of the borrowing, may demand that the Issuer summon the assembly, and if it fails to do so, it shall request the Finance Superintendence of Colombia to make its summons.

The meetings of the Bondholders Assembly shall be carried out in the city of Bogota. The summons notices made to the Bondholders Assembly shall contain the exact address where they shall be held.

8. SPECIFIC MECHANISMS ALLOWING SHAREHOLDERS AND OTHER INVESTORS TO ORDER SPECIALIZED AUDITS OF THE ISSUER

Shareholders representing at least fifteen percent (15%) of outstanding shares of the Corporation, as well as investors holding at least twenty-five percent (25%) of total outstanding securities issued by the Corporation (such securities being understood as those provided in article 2 of Law 964/2005), may order, at their own expense and under their responsibility, a specialized audit on a specific subject of the Corporation, for which they shall use an audit firm with broad and recognized prestige, complying with the same conditions required from the Tax Auditor of the entity.

The percentage of 15% determined, for purposes of enabling this special power to minority shareholders, is obtained from a ratio between reasonableness and representativeness that is equivalent to one

fourth of minority shareholders not exercising control, taking into account the ownership structure of the Corporation.

The audit referred to in this Code shall take place when shareholders or investors have doubts about the quality, reliability and legality of the financial statements disclosed by the Corporation to the authorities and the general public or of the control exercised by the Tax Auditor. The purpose of the audit shall consist in confirming the existence of irregularities in any of the aforementioned subjects.

Specialized audits may be requested in the following cases:

- When the company has at the end of the semester losses reducing the capital of the company by more than 30%.
- When the Tax Auditor declares in his reports or opinions that there are relevant findings materially affecting the company or that there have been serious irregularities in the management of accounting or in the management of corporate assets.
- When there are serious indications of a negligent or fraudulent action in the management and administration of the company, which may generate a serious damage to the economic interests of investors or shareholders.

For purposes of carrying out the audit, the shareholders and/or investors complying with the above requirements must submit in writing a request for such purpose to the Legal Representative of the Corporation. The request must contain at least the following: a) Proof of the applicant as to the representation of the minimum number of shareholders and/or investors; b) Results sought with the audit; c) Indication of the events or elements on which the doubts about the Corporation are based; d) Information about the auditor that would carry out the audit; e) Mechanisms guaranteeing that the information provided to carry out the audit will not be disclosed, or used for the benefit of third parties and to the detriment of the Corporation, the above notwithstanding the guarantees that, on confidentiality and information management, are required by the Corporation, and f) Commitment in the sense that only the events or elements that the audit determines as irregular about quality, reliability and legality of the financial statements will be disclosed to the public and the authorities, information that will be provided together with the corresponding explanations provided by management.

Once the request is submitted, the Legal Representative of the Corporation shall have fifteen (15) business days following its receipt, to confirm whether the request complies with the provisions of this Code. In case that after being rejected, the shareholders or investors insist thereon, the Board of Directors shall

be in charge of resolving the request definitely, for which it shall have a term of fifteen (15) business days following receipt of the new communication. In the document accepting the independent audit, the Legal Representative or Board of Directors, as the case may be, shall establish the terms, conditions and dates in which the independent auditor may carry out the audit. The Legal Representative and Board of Directors shall take the measures to ensure industrial secrets, advantages over competition, customers, among others but not exclusively, and all other elements that in their discretion must be treated as confidential information of the Corporation are not disclosed, for the good and normal development of its operation. By no means may the Audit cover the following: a) operation methods of services provided by the Corporation; b) marketing procedures; c) potential business of the Corporation; d) ongoing alliances; e) industrial secrets; f) Industrial or intellectual property rights; and g) business strategies. In any cases, the Auditor's work papers shall remain subject to secrecy.

9. CRITERIA APPLICABLE TO ECONOMIC RELATIONSHIPS BETWEEN THE ISSUER AND ITS MAJORITY OR CONTROLLING SHAREHOLDERS, ITS DIRECTORS, MANAGERS AND SENIOR EXECUTIVES

9.1. Relationship of Shareholders with the Corporation

The Corporation guarantees equal treatment to all its shareholders, regardless of their ownership interest. All shareholders with voting right are authorized to participate and vote at the regular or special meetings of shareholders on all subjects addressed therein.

9.2. Economic Relationships with Shareholders, Directors, Managers and Senior Executives

The Corporation, in the ordinary course of business, may carry out operations with its shareholders, directors, managers and senior executives under the terms provided by the law. The notes to the financial statements of each year must include the operations carried out with shareholders and with directors, managers and senior executives, which are at the disposal of the shareholders fifteen business days prior to each Meeting.

Likewise, the Corporation communicates to the market the economic relationships with its senior partners, in accordance with the information required by Decree 2555/2010 and External Circular No. 7/1995 issued by the Superintendence of Securities, today Finance Superintendence.

The aforementioned information is delivered to the market through the submission of corresponding reports to the Finance Superintendence. Said information is held in the public archives of that Superintendence and may be accessed by anyone directly in person or by electronic means, in accordance with the mechanisms established by said authority for such purpose.

9.3. Subordination Situation

The entity periodically informs control bodies of its shareholding structure, discriminating direct shareholders who own more than 1% of capital. Likewise, the subordination situation of the Corporation is informed in the notes to the financial statements of each year.

Likewise, the Corporation puts at the disposal of each shareholder, the Shareholder Ledger fifteen (15) business days prior to each Regular General Shareholders Meeting, in which financial statements are submitted for approval.

In the commercial registry of the Chamber of Commerce of Bogota, license No. 0155426 corresponding to the Corporation, the private document that evidences the situation of control that Grupo Aval Acciones y Valores S.A. exercises over Corficolombiana S.A., as well as the statement of the Business Group by Mr. Luis Carlos Sarmiento Angulo as natural person, is registered.

9.4. Information to the Finance Superintendence of Colombia

The supervisory body is informed of the shareholding structure on a quarterly basis, in accordance with the formats established, as follows:

- List of 20 largest shareholders, in accordance with the ownership interest percentage.
- Variation of shareholding structure.
- Shareholding structure by percentage levels
- General economic information on equity and other items

Said information is held in the Finance Superintendence and may be consulted in the terms it establishes.

10. STAKEHOLDERS

10.1. Relationship with Employees

10.1.1. Procedures for Selection, Development and Remuneration of Personnel Selection

The recruitment process is an objective process that does not discriminate by reason of race, religion, age, gender or political ideology. To fill a vacancy, the best candidate is chosen, from a group; locating the person that best fits the given requirements, taking into account the profile, characteristics and policies of the Corporation.

The recruitment process is carried out considering the following matters:

- Definition of profile of officials required in the Corporation, from the area requirements, which must be in accordance with the functions manual defined and the organizational structure.
- Assessment system with sufficient external and internal recruitment sources generating opportunities for development of officials, psychotechnical tests, interviews, and background check.

As a measure to guarantee equal opportunities, every person interested in joining the Corporation may register his résumé, which shall be classified in the databases, according to the profession and experience of the candidate.

Subsequently, the work relationship shall proceed, as well as the induction necessary for each job. During the first two months, the employee is in a trial period that is aimed at the assessment of skills of the worker by the company and of conveniences of working conditions by the worker.

Development

It is the execution of the competence-based management model promoting the efficient performance of the staff in the organization, to achieve individual and joint work objectives framed within corporate principles and values. Management processes are focused on the improvement and development of staff from its joining to its separation.

Remuneration and Benefits

The remuneration of employees is established by combining the several matters that must be taken into account: internal and external equity, level of responsibilities of the job and impact on results, competences required and levels of performance and projection of people holding the same. Benefits shall be maintained to cover basic needs of motivation, life quality and wellbeing of officials.

Based on the above factors, the President of the Corporation establishes the compensation for jobs which appointment does not correspond to a higher authority, within the general guidelines established by the Board of Directors.

10.2. Relationship with Suppliers

The criteria to be considered in the selection of suppliers of goods and services by the Corporation, are as follows:

- Suppliers shall be recognized in the market for their experience and/or expertise and be duly referenced. In any case, a process to know the supplier shall always be carried out to assess its business and legal conditions.
- They shall comply with the requirements established by the Corporation in the SARLAFT manual and Code of Ethics and Conduct.
- They shall exercise their business activity in an ethical manner at all times.
- In the negotiation, the best price shall be considered, provided that quotations are in equal conditions and qualities. When there is price equality, best conditions and qualities.
- Provided that the conditions and quality of the good or service remain equal, the shortest delivery time shall be assessed.
- As much as possible, distribution by city and cost center shall be sought under the best conditions of quality and opportunity in accordance with the requirements of the Corporation.
- The submission of guarantees and policies shall be demanded, in accordance with the specific requirements of the good or service.
- Payment conditions shall follow the Invoicing Policy of the Corporation.

Any manager or official intervening in the contracting of goods or services, that is involved in any conflict of interest regarding a negotiation, shall follow the procedure indicated for such purpose in the Code of Ethics and Conduct or in the Policy for the Identification, Communication, Administration and Control of Conflicts of Interest in the Aval Financial Conglomerate.

10.3. Financial Consumer

The Corporation at all times endeavors to integrally serve customers, offering solutions according to their needs and providing accurate, complete, clear and timely information on the entity, service portfolio and market.

Likewise, it ensures compliance with the regulations protecting the rights of the financial consumer, especially regarding the resolution of doubts and claims, within the framework of the relationship established.

To be able to provide a service with quality, favoring secure and equitable relationships with customers, it works with agile and reliable service schemes and has a Customer Service area.

Furthermore, there is a Financial Consumer Ombudsman that hears and resolves complaints from customers or users related to the proper provision of services.

The Financial Consumer Ombudsman is a person independent from the management bodies of the Corporation, appointed by the General Shareholders Assembly, and exercises his functions autonomously and objectively.

The functions of the Financial Consumer Ombudsman are performed with absolute independence. The management of the Corporation undertakes to provide its support to the Ombudsman for the resolution of complaints submitted by customers, by providing required information and documents and technical support necessary for the successful development of his functions.

To have a communications instrument between the Financial Consumer Ombudsman and the Corporation, the latter is obliged to appoint a coordinator, whose name shall be informed in writing to the Ombudsman.

The data for the location of the Financial Consumer Ombudsman is provided to the public at all offices of the Corporation and appears published in the website www.corficolombiana.com.

11. REGARDING THE INFORMATION

In its capacity as a securities issuer, the Corporation is required to report periodic and occasional information of interest to its investors, supervisors, stakeholders, and the market in general.

As part of this duty, the entity discloses as relevant information periodic reports such as investor calls, interim and year-end financial statements, management reports, and other recurring financial reports, among others. Likewise, it discloses as relevant information additional events in accordance with the criteria set forth in the applicable regulations.

In view of the above, the Corporation's officers in charge of preparing and disclosing information shall apply the following minimum guidelines:

Responsibility for the Duty of Disclosure

It is the responsibility of the different areas of the Corporation to know the facts that generate the reporting of relevant information. In this regard, the Corporation must develop the necessary training plans so that each area is the manager of the information reporting processes for which it is responsible. The foregoing, without prejudice to the fact that the information to be disclosed is centralized in officers in charge of reporting to investors, supervisors, stakeholders and the market in general.

Timeliness and Quality of Information

Each area must report the information under its responsibility within the timeframes established in the applicable regulations in order to ensure the correct disclosure to the market in a timely manner. In addition, the area responsible for producing the information must prepare it, verifying that its content is clear and sufficient, and keep the necessary documentary support to corroborate the veracity of the information disclosed.

Disclosure Channels

Due to the relevance of the information disclosed by the Corporation, it must be disclosed in a timely manner and through appropriate channels, so that investors, supervisors, stakeholders and the market in general have equal access thereto.

Information Mechanisms

The Corporation recognizes the strategic value of information, and therefore, has established policies and procedures for its conservation, management and use.

As a credit institution and issuer of securities in the public market, the Corporation is subject to control and surveillance by the Finance Superintendence. In turn, it is obliged to send information to control bodies and provide information to the market, which is made as indicated below:

Management Report

The Corporation, in its management report at the close of each accounting year, which in the case of the entity is on a semi-annual basis, submits the evolution of the entity and its businesses and indicates therein the risk situations it may face; particularly said report contains the information established in article 446 of the Code of Commerce.

Likewise, in the year-end financial statements, every risk situation that must be disclosed is included in the notes to the financial statements.

Financial Statements and their Notes

Year-end financial statements, prior authorization from the Finance Superintendence, when appropriate, shall be published on the website of the Corporation, www.corficolombiana.com, in comparison with an equal period of the previous year, together with their notes and the opinion of the Tax Auditor, once

approved by the General Shareholders Assembly. If for any reason the foregoing is not possible or if the Corporation so deems proper, the year-end balance sheet and income statement, compared to an equal period of the previous year, shall be published on a mass-circulation newspaper in the domicile of the entity, in the formats designed by the Finance Superintendence of Colombia for such purpose.

Furthermore, said documents shall be held in the Chamber of Commerce of the registered offices of the Corporation, where they may be consulted by the general public.

On the other hand, the Corporation keeps a book containing the Management Report, year-end financial statements with their notes and opinion of the Tax Auditor that any interested party may request and consult at the Secretary's Office of the Corporation.

Tax Auditor's Opinion

The Tax Auditor shall issue an opinion on the year-end financial statements, for which it certifies their legal validity, accuracy before the accounting of the Corporation, and expresses therein all exceptions deemed convenient, as well as the indication of any risk situation or failure to comply with rules, including the relevant findings, if any, in the terms of numeral 6.3.2 above.

Submission of Information to the Finance Superintendence

As previously mentioned, the Corporation is subject to the inspection, control and supervision of the Finance Superintendence and, therefore, for supervisory purposes it periodically sends the information required by this control body. Particularly, on the website of the Finance Superintendence (www.superfinanciera.gov.co), among others, the balance sheet and income statement, solvency margin and managerial report published by the Financial Superintendence may be consulted.

Likewise, the relevant information is sent to the Finance Superintendence prior the General Shareholders Assembly, particularly the profit sharing proposal.

Either way, the Corporation, through the relevant information mechanism, communicates to the Finance Superintendence, the stock market and DECEVAL any relevant event or extraordinary or significant operation or action transcendental for the Corporation, its businesses, or for determining the price or for the market circulation of its securities registered in the Registry, under the terms established in Decree 2555/2010 and other rules complementing, modifying or replacing it. Such information may be obtained on the website of the Finance Superintendence (www.superfinanciera.gov.co).

Investors may resort to the website of the Finance Superintendence (SIMEV), which includes the information of the Corporation regarding basic data, with permanent updates, as changes occur.

Risk-Rating

Annually, the Corporation requests the review of the rating of its short and long-term debt. Within these rating processes, risk-rating agencies permanently assess the situation of the Corporation as issuer, as well as the rating of a particular issuance. The rating granted is disclosed to the market.

Additional Mechanisms for Disclosure of Issuer Risks

In addition to the aforementioned information mechanisms, the Corporation shall inform control entities and the market in a clear, complete and objective manner the actions or events, including decisions, which may affect its financial situation and businesses or may have influence upon the determination of the price or in the market circulation of securities registered in the National Registry of Securities and Issuers, through the relevant information mechanism.

Whenever said knowledge occurs within a time outside usual business hours, or on a Saturday or holiday, the Corporation shall disclose it as soon as possible within the business day following the day it is known.

Likewise, provided that the securities issued by the entity are registered in the National Registry of Securities and Issuers and the authorization of their public offer is sought, the provisions established by the Finance Superintendence shall be complied with for purposes of being rated by risk rating agencies.

12. RISK ADMINISTRATION AND MANAGEMENT

The risk management process of the Corporation in the different businesses is framed within the guidelines designed by the Senior Management, according to the general management and administration guidelines of the entity, approved by the Board of Directors.

12.1. Credit and Counterparty Risk

The Corporation assumes the risk in the treasury activity. The basic principles and rules for management of these operations in the Corporation are provided in the Treasury Risk Manual.

The highest credit authority is the Board of Directors, which guides the general policy and is authorized to impose limits. The granting of quotas and credits depend on the amount, term and guarantees offered by the customer.

12.2. Market Risks

The Board of Directors, and Senior Management, know the risks involved in activities that the company develops in the money, foreign exchange and capital market, and how these combine with the general strategy of the entity.

The measurement, control and management of the market risk regarding the interest rate, exchange rate, UVR and price of shares are carried out both in the Treasury and Banking ledger.

The policies and limits for the execution of treasury operations are studied and designed by Senior Management. These are gathered in the manuals that establish the rules to be followed by staff related to treasury activities; procedures by areas and products; limit proposals by type of risk, market or product; risk measurement, analysis, control and management processes; models developed to control and monitor risks; technological applications supporting activities of negotiation, registration, accounting, control and compliance with operations; and reports of position control, management measurement and results.

The market risk is measured under two approaches: first, by measuring the impact on the profit and loss account, and second, determining the economic value of positions, which establishes the necessary capital to cover the risk being assumed.

12.3. Liquidity Risk

The measurement of the liquidity risk allows for analyzing the response capacity of the Corporation to take care of the maturity of its liabilities at a reasonable cost, as well as the placement of investments.

Supported by technical studies, the primary and secondary liquidity sources are determined, for purposes of guaranteeing the stability and sufficiency of resources, and minimizing source concentrations.

Once the sources of recourses are established, these are allocated to the different businesses, in accordance with the budget, nature and depth of markets.

Senior Management knows the liquidity situation and makes the necessary decisions, taking into account high-quality liquid assets that must be maintained, the tolerance in the management of the liquidity or minimum liquidity, strategies for capturing resources, policies on placement of liquidity surplus, changes in characteristics of products and diversification of fund sources.

12.4. Operating Risk

The operating risk management involves the effective management of control mechanisms and the proper administrative structure optimizing the operations of the Corporation. The main pillars of the operating management are: Organization and segregation of functions, establishment of clear operation procedures, qualified human resources and proper technological and security platform supporting the operation. Management established the policies, rules and procedures guaranteeing the management of the business within reasonable risk levels and allowing for the opportune and systematic evaluation, verification, measurement, control and prevention in processes.

12.5. Legal Risk

The Legal area supports the risk management task in operations carried out by the Corporation. Particularly, it defines and establishes the necessary procedures to properly control the legal risk of operations, ensuring that they comply with the legal rules and are properly documented, and analyzes and prepares the agreements supporting the operations carried out by the different business units.

The Corporation abides by copyrights, only uses legally acquired software or licenses, and does not allow the use of programs on its equipment other than those officially approved.

12.6. Money Laundering and Terrorism Financing Risk

The money laundering and terrorism financing risk is understood as the possibility of economic loss or reputation damage that the entity may suffer if used as an instrument for money laundering and/or channeling of resources towards terrorist activities, or when the concealment of assets derived from said activities through the entity is sought.

Due to the foregoing, and aware of its commitment to fight criminal organizations, the Corporation, in accordance with the provisions of the Finance Superintendence of Colombia, adopted the necessary mechanisms to avoid the occurrence of events that could adversely affect its results and business. Therefore, the Corporation has a Money Laundering and Terrorism Financing Risk Management System, SARLAFT, which is integrated by stages and elements containing policies, procedures and methodologies for the identification, assessment, control and monitoring of these risks, as well as knowledge about customers and their operations with the Corporation, and about market segments served. The system, which is contained in the SARLAFT manual approved by the Board of Directors, also considers the monitoring of transactions, staff training and collaboration with authorities, and is managed by the Compliance Offi-

cer, who is responsible for constantly assessing the prevention mechanisms, in order to establish the effectiveness thereof and compliance by all officials of the Corporation.

13. INTERNAL RULES OF ETHICS

13.1. Code of Ethics and Conduct

The Board of Directors of the Corporation has adopted a Code of Ethics and Conduct containing the discipline guidelines that must be complied with in all actions by directors, managers and officials of the Corporation, as well as its contractors and suppliers, as applicable. Said guidelines are consistent with the ethical values and principles of the Corporation.

The Code also gathers the commitment in the effective development of policies of the entity and its internal control structure, the values and discipline guidelines that must be complied with before the different risks, as well as the parameters for the management of conflicts of interest and mechanisms to avoid the improper use of privileged or confidential information, the competent authorities to monitor compliance with the Code and the consequences for failing to comply therewith.

14. CONFLICTS OF INTEREST

14.1. Definition

A conflict of interest is the situation by virtue of which a person due to his activity faces different alternatives of conduct in relation to incompatible interests, none of which can be favored in view of his legal or contractual obligations.

14.2. General Policies

The directors, managers and officials of the Corporation must refrain from intervening directly or indirectly in any situation in which they may have a conflict of interest with the Corporation or with companies in which it directly or indirectly holds shares or interest. They should also avoid participating in situations putting them in competition with the Corporation or through which they have a claim against it or the mentioned companies, or are leveraging for their own benefit an opportunity belonging to these.

The law and doctrine establish mechanisms to take care of situations generating actual or potential conflicts of interest, which may be used by the Corporation, depending on the characteristics of each case.

The policies defined by the entity must be complied with in order to ensure proper management is exercised to prevent and detect any possible conflicts of interest, taking into account, in any case, that the Corporation does not carry out operations on behalf of third parties.

In the event that the entity is before a situation generating conflicts of interest, it is recommended that interested parties be informed of the facts generated by their presence and to obtain their consent to initiate or continue the operation.

The Corporation shall refrain from carrying out operations that are expressly prohibited and that involve conflicts of interest, when the conflict cannot be resolved, or when there are doubts on the clarity of the operation.

14.3. Disclosure of Conflicts of Interest and Procedure for Evaluation and Management Thereof

The mechanisms for disclosure of conflicts of interest and procedures for evaluation and management thereof are contemplated in detail in the Code of Ethics and Conduct. According to its provisions, the directors, managers and officials of the Corporation shall disclose any conflict between their personal interests and the interests of the Corporation, when dealing with customers, users, contractors, or any person who holds or intends to maintain business or any other type of relationship with the Corporation or with the companies in which it holds share or interest, directly or indirectly.

According to their nature, the conflict situations or potential conflict of interest situations may be occasional or permanent. When the situation that gives rise to the generation of an event or potential event of conflict of interest has a permanent nature and affects the set of the Company operations, it shall constitute grounds for mandatory resignation by the affected party since it prevents it from holding office.

Particularly, in the event that the conflict of interest involves a director or manager, the same should disclose the situation to the Board of Directors and order the call of the General Shareholders Assembly to authorize, if deemed appropriate, the execution of the activity representing the conflict of interest, pursuant to the provisions of numeral 7, article 23, Law 222/1995, in accordance with Decree 1925/2009 or the rules modifying or replacing them. The wellbeing of the Corporation shall at all times be deemed as the main purpose, which is why the authorization shall proceed, only when the action does not damage the interest of the entity.

The director or manager is obliged to refrain from participating on his own account or by proxy, in personal interest or in the interest of third parties, in actions generating conflict of interest situations, unless

decided by the competent corporate body. In case of contempt, the director or manager shall be held accountable under the terms provided in the aforementioned legal provisions.

14.4. Policy for Identification, Communication, Administration and Control of Conflicts of Interests of Aval Financial Conglomerate¹

Corficolombiana, as an entity comprising the Aval Financial Conglomerate (CF Aval) adopted a Policy for the Identification, Communication, Administration and Control of Conflicts of Interest, containing the guidelines for the realization of transactions between: a. the entities belonging to CF Aval; b. the entities belonging to CF Aval and those related to it; and c. the entities belonging to CF Aval and its managers as well as the persons able to make decisions in those entities, with scope over the operations made with own resources as well as in those made with resources coming from the third-party resource management activity.

The mechanisms of identification, disclosure, administration and control of conflicts of interests and the procedures for the evaluation and management thereof are provided for in detail in said policy.

15. CONFLICT RESOLUTION

Notwithstanding the effort to always resolve disputes through direct settlement, the differences that may be settled occurring between shareholders capable of settling and the Corporation, or among them, by reason of the corporate agreement, during the life of the company, upon its dissolution, or within the liquidation period, shall be submitted to arbitration decision, applying for such purpose the procedure provided in the bylaws.

16. MECHANISMS ALLOWING SHAREHOLDERS AND INVESTORS TO CLAIM COMPLIANCE WITH THE PROVISIONS OF THE CODE OF GOOD GOVERNANCE

The Legal Representative of the Corporation shall ensure compliance with the bylaws and the rules and provisions of the General Assembly and the Board of Directors. The shareholders and investors may respectfully make requests before the entity, when they believe there has been a breach of the provisions of the Code of Good Governance, and in these cases, the management of the entity shall provide a clear and sufficient response to the applicant, with the greatest diligence and opportunity.

Shareholders and investors of the entity may file complaints or claims with the Tax Auditor, for failure to comply with the provisions of the Code of Good Governance, who shall verify that the entity provides timely and sufficient response to the complainant. Likewise, the entity shall take care of the observations that,

due to the complaint, are indicated by the Tax Auditor, when the existence of said breach is established.

The President of the entity shall take all measures necessary to disclose to the market, investors and shareholders, their rights and obligations, as well as the existence and content of this Code. For such purposes, the President shall announce, through the Relevant Information mechanism, any amendment, change or addition that this Code may suffer. Likewise, the text of this Code is at the disposal of shareholders and other investors, at the headquarters of the entity, its website or by any other electronic means providing access of any person to its content.

The Executive Vice-president's Office, the Corporate Management of Relations with Investors and/or the Secretary's Office of the Corporation, located at Carrera 13 No. 26-45 8th Floor, Bogota D.C., phone (1)2863300, are in charge of assisting, from 8 a.m. to 5 p.m., Monday to Friday, the shareholders and investors, they shall act as liaison between these and the governance bodies of the entity and shall take the necessary actions to timely take care of the needs and requirements these formulate.

Version updated as of June 08, 2022

SUPERINTENDENCIA FINANCIERA
DE COLOMBIA

VIGILADO

www.corficolombiana.com
www.investigaciones.corficolombiana.com

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