

**IMPLEMENTATION REPORT OF BEST CORPORATE
PRACTICES**

**ISSUER'S BUSINESS
SCOTIABANK COLPATRIA S.A.**



**LEGAL REPRESENTATIVE
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**LEGAL REPRESENTATIVE APPOINTED FOR SENDING
THE IMPLEMENTATION REPORT
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**REPORT PERIOD
2019**

**REPORT DATE
JANUARY 31, 2020**

INTRODUCTION

The implementation of the recommendations of the new Code of Best Corporate Practices of Colombia should be reported by issuers to the Financial Superintendence of Colombia (FSC) by this Implementation Report of Best Corporate Practices.

This report is aimed to inform the securities market about the implementation or not of the recommendations of the Code by each issuer. To this end, for each recommendation there are three boxes for YES, NO and N.A. (not apply), as well as a space to supplement its response as follows:

If the answer is yes, the issuer must briefly describe the way such implementation has been made. If not, the issuer must explain the reasons why it has not been adopted.

The N.A. response can only be provided by the issuer in cases that for legal reasons it is not possible to adopt the recommendation. In this case, the issuer must indicate precisely the law or regulation which prevents it.

Given that, some recommendations are made up of a number of specific aspects, is important to emphasize that these will only be understood as implemented if all of the aspects that compose them are met, unless the reason for not adopting some is of legal nature, which should be indicated.

Each recommendation has a box to indicate the date the issuer first implemented it. Additionally, there will be a box where the dates on which changes are made will be recorded.

Finally, when the issuer by its nature does not have the specific body to which the recommendation relates it shall be understood that it refers to the equivalent body within the entity.

I. SHAREHOLDER RIGHTS AND EQUAL TREATMENT

Measure No. 1: The principle of equal treatment.

1.1. The corporation gives equal treatment to all the shareholders who have similar shares and conditions, without granting access to privileged information to some shareholders above others.

1.1 Measure Implementation	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
<p>Yes. Explain briefly:</p> <p>All shares are common stocks (ordinary shares); all shareholders will have the same rights, as set out in the Corporate and Governance bylaws, as to guarantee that all shareholders will be treated fairly and equally.</p> <hr/> <p>No. Explain:</p> <hr/> <p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>						

Date of Implementation	SI	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
1.1 Measure Implementation Date of Modification						

1.2. The Board of Directors has approved concrete procedures to determine the corporation's ways to relate to the different types of shareholders, regarding

matters such as: access to information; answer to information requests; communication channels; interaction between the shareholders and the corporation, its Board of Directors, and the remaining managers.

1.2 Measure Implementation

YES

NO

N/A

<p>Yes, explain briefly:</p> <p>The company feels very strongly about guaranteeing an adequate interaction with its shareholders, so the second chapter of the Governance bylaws grants the shareholders additional rights that go further than the law and the corporate bylaws. It is of particular importance the right of access to information by the shareholders.</p> <p>Furthermore, the office of the General Secretariat will be in charge of answering the shareholders' queries via e-mail and in person.</p> <p>Finally, the company publishes all of the relevant information via its website, through the Shareholders link.</p> <p>The contact information and how to contact us are included in the Governance bylaws</p>
<p>No. Explain:</p>
<p>N/A. Detail the bylaws that do not allow the implementation of said recommendation:</p>

Date of Implementation	2014-12-30
Date of Modification	

Measure No. 2: Information about shares.

2.1. Through its web site, **the corporation informs the public**, in a clear, precise, and comprehensive way, **the different types of shares issued** by the corporation, the quantity issued per type, and the quantity of shares reserved, as well as the rights and obligations inherent to each type of share.

2.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>All shares issued by the bank are ordinary shares. In the company's website you will find the relevant shares breakdown, the total number of ordinary and reserved shares, and the company's corporate and governance bylaws.</p>
<p>No. Explain:</p>
<p>N/A. Detail the corporate bylaws that do not allow for the above said recommendation:</p>

Date of Implementation	2014-12-30
Date of Modification	

Measure No. 3: No capital dilution.

3.1. In transactions that may cause the dilution of the capital of minority shareholders (i.e. a capital increase with a waiver of preemptive rights in the subscription of shares, a merger, a segregation (spinoffs), among others), **the corporation will explain them to the shareholders in detail** through a previous report of the Board of Directors. Such a report will contain the opinion, about the terms of the transaction, of a renowned external independent advisor appointed by the Board of Directors (*fairness opinion*). These reports will be made available to the shareholders before the Assembly, within the terms for the exercise of inspection rights.

3.1 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

In case of a situation arising as described above, the company will follow the required procedures as set out in the Code of Commerce, the EOSF and any other relevant norms.

No. Explain:

NA. Detail the corporate bylaws that do not allow to implement the above said recommendation:

Date of Implementation	2014-12-30
Date of Modification	

Measure No. 4: Information and communication with shareholders.

4.1. The corporation has an institutional web site in Spanish and English, with a link of Corporate Governance, or of relations with shareholders and investors, or equivalent. It will include financial and non-financial information in the terms proposed by recommendations 32.3 and 33.3. Furthermore, under no circumstance, it will include the corporation’s confidential information, or that relative to company secrets, or any other whose disclosure could be used to the detriment of the corporation.

4.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p>
<p>No. Explain:</p> <p>The company has a website, with a query section called Shareholders and the text is only in Spanish.</p>
<p>NA. Detail the corporate bylaws that do not allow to implement the above said recommendation:</p>

Date of Implementation	
Date of Modification	

4.2. The corporation has permanent-access mechanisms targeted exclusively to shareholders, such as a web link (only for them), or an office devoted to the relations with shareholders and investors, periodical information sessions, among others. These spaces should permit them state their opinions, concerns or suggestions on the corporation’s development, or about their condition as shareholders.

4.2 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The company has made information available to the shareholders, investors and the financial markets, via permanent access to the company’s website, and via a physical office for investors. All of the above said in order to fulfill this purpose.

No. Explain:

NA. Detail the corporate bylaws that do not allow to implement the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

4.3. The corporation organizes events to present quarterly results to its shareholders and to market analysts. These may be in person or through distant-communication media (conference, video conference, etc.).

4.3 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The company carries out events to showcase the financial results through different communication channels. Furthermore, the company carries out economic analysis presentations for clients, investors, and market analysts on a regular basis.

No. Explain:

NA. Detail the corporate bylaws that do not allow to implement the above said recommendation:

Date of Implementation	21-08-2019
Date of Modification	

4.4. The corporation organizes or takes part in presentations, events, or fora on fixed-yield instruments, mostly addressed to debt-security investors and market analysts. These events offer updates on the issuer’s business indicators, the management of its liabilities, its financial policy, its ratings, its behavior concerning *covenants*, etc.

4.4 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The company carries out fixed income events, for those investors in short and long term debt, and for market analysts.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to implement the above said recommendation:</p>

Date of Implementation	21-08-2019
Date of Modification	

4.5. The corporation’s bylaws provide that a shareholder or group of shareholders, representing at least five percent (5%) of the capital, may request the performance of Specialized Audits on matters other than those pertaining to the audits carried out by the corporation’s Statutory Auditor (*Revisor Fiscal*). Depending on its capital structure, the corporation may determine a proportion below five percent (5%).

4.5 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>A shareholder or a group of shareholders that represent at least 5% of the capital of the company will be able to ask for a Specialized Auditing, about any issues that have not been covered by the Tax Audit.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to implement the above said recommendation:</p>

Date of Implementation	24-10-2019
Date of Modification	

4.6. For the exercise of this right, **the corporation has a written procedure** with the precisions provided in recommendation 4.6.

4.6 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The General Shareholders' Meeting Bylaws establishes the guidelines to exercise this right.

No. Explain:

NA. Detail the corporate bylaws that do not allow to implement the above said recommendation:

Date of Implementation	24-10-2019
Date of Modification	

Measure No. 5: Behavior of managers before takeovers or transactions to change the corporation's control.

5.1. The members of the Board of Directors and of the senior management have agreed expressly, in their letters of acceptance or contracts, that as soon as they learn of a take-over bid or other relevant transactions, such as mergers or segregation (spinoffs), there will be periods during which they will not negotiate, directly or indirectly through a third party, any shares of the corporation.

5.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p>
<p>No. Explain:</p> <p>The Bank will review the pertinence of implementing these measures.</p>
<p>NA. Detail the corporate bylaws that do not allow to implement the above said recommendation</p>

Date of Implementation	
Date of Modification	

Measure No. 6: Listing of corporations clustered in conglomerates.

6.1. Without prejudice to the independence of every single company of the conglomerate and to the responsibilities of its management bodies, the conglomerate has an **organizational structure** that defines for the three (3) governance levels (Shareholders Assembly, Board of Directors, and senior management), the key bodies and individual positions and the relations between them. Such a structure is public, evident, and transparent; it determines clear responsibility and communication channels; it facilitates the conglomerate’s strategic direction, and its effective supervision, control, and management.

6.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p>
<p>No. Explain:</p> <p>Each of the companies has its own organizational structure. However, certain functions or services are rendered by corporate areas, including head office and its subordinates. All of the companies have adopted the governance policies for subsidiaries, established by the head office.</p>
<p>NA. Detail the corporate bylaws that do not allow to implement the above said recommendation:</p>

Date of Implementation	
Date of Modification	

6.2. Under the previous provision, **the holding company and its most important subordinates have defined a framework for institutional relations** through the subscription of an agreement. Such an agreement is public, has been approved by the Board of Directors of each of the companies, and it regulates the topics indicated in recommendation 6.2.

6.2 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

There is no agreement in place. All of the companies have adopted the governance policies for subsidiaries, established by the head office.

NA. Detail the corporate bylaws that do not allow to implement the above said recommendation:

Date of Implementation	
Date of Modification	

Measure No. 7: Conflict resolution.

7.1. Except for the disputes between shareholders, or between shareholders and the corporation or its Board of Directors that by explicit legal mandate must be settled necessarily before the ordinary jurisdiction, **the corporation’s bylaws include conflict-resolution mechanisms such as direct agreements, amiable composition, settlement, or arbitration.**

7.1 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

Article 84 of the Articles of Association – Dealing with conflict – estipulates arbitration as an alternative mechanism to deal with conflict, controversy, or any differences that may arise between two or more shareholders, or between one or several shareholders and the company.

No, explain:

NA. Detail the corporate bylaws that do not allow to implement the above said recommendation:

Date of Implementation	2012/01/17
Date of Modification	

II. GENERAL ASSEMBLY OF SHAREHOLDERS

Measure No. 8: Functions and competence.

8.1. Besides other functions assigned to the **General Assembly of Shareholders** by the legal framework, **the bylaws explicitly confer the functions of the General Assembly of Shareholders related in recommendation 8.1**, and emphasize their exclusive and non-delegable nature.

8.1 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

1. Partially.

There are no policies of variable remuneration of senior management in relation to the value of the share. In the Corporate bylaws, the following applies:

“Article 30 – Duties of the general shareholders’ meeting

2. *Determine the policy of global retribution of the Board of Directors, which can incorporate various mechanisms, in such a way that a part of the retribution can be subject to variable components, as a duty of their performance.*

3. *Establish the fees for attendance to Board of Directors meetings.*

2. Non- existent.

The Board of Directors is elected for a period of two years, as per the law, and the corporate bylaws, and the criteria of the Financial Superintendency, which are verified at the time each of the members of the Board of Directors takes possession.

3. No, but with controls

Article 42 of the Corporate bylaws, determines the duties of the Board of Directors as follows:

“42.1 The following decisions will require the affirmative vote of, at least, the five non - independent members of the Board of Directors:

1. Any sale of assets of the company or of any of its subsidiaries for an amount of more than \$25,000,000 for the accumulated Sale Price in a calendar year

4. *Approve acquisitions or consolidations of the company or of any of the subsidiaries (different to a merge) or any acquisition of assets by the Company or any of its subsidiaries (other than a division of the company), for an amount of more than US\$25,000,000 for the accumulated Sale Price in a calendar year; always taking into account that the Board of Directors of the company will have to be notified in any case, of any acquisition in of more than US\$5,000,000*

Approve any material change to the operations or policies of the credit committee or the practices of handling of assets or liabilities, or to the operations of the treasury of the company or to the subsidiaries

In any case, any issue that goes above and beyond said faculties will have to be subject to approval by the General Shareholders' Assembly.

Article 32.1 of the Corporate bylaws:

32.1 The following issues will require a favorable vote equivalent to the 75% of the subscribed shares and in circulation:

1. Any merge or demerge of the company or its subsidiaries

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	
Date of Modification	

Measure No. 9: Regulation of the General Assembly of Shareholders.

9.1. The corporation has a regulation for the General Assembly of Shareholders, which set up norms for any tasks within its competence. They range from its meeting calls, to the preparation of the information intended for shareholders, their attendance, the development and exercise of their political rights, so that they are fully aware about the regime that governs the Assembly's sessions.

9.1 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The entity has regulations for the Shareholders assembly as a sound practice of Corporate Governance.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation

18-03-2016

Date of Modification

Measure No. 10: Meeting Call for the Assembly.

10.1. To ease the shareholders' exercise of their information rights, **the bylaws provide that the meeting call for the ordinary General Assembly of Shareholders must take place no less than thirty (30) common days in advance; in the case of the extraordinary meetings, the call will take place with at least fifteen (15) common days of anticipation.** This will be without prejudice to the legal terms set forth for company restructuring (e.g. mergers, segregation (spinoffs), or transformations).

10.1 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

The company considers that the terms as defined by the law are reasonable, in order to exercise the rights of all of the shareholders.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation::

Date of Implementation

Date of Modification

10.2. Besides the traditional and obligatory media set forth within the legal framework, **the corporation ensures the widest communication and publicity for the meeting call.** This will be done by using e-media, such as the corporate web site, individual alerting e-mails, and even the social networks if deemed appropriate.

10.2 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

In addition to the mechanisms established by the law and included in the Bylaws, the bank uses the corporate website to inform about the meeting.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2012/01/17
Date of Modification	

10.3. For increased transparency during the decision-making process of the General Assembly, besides its Agenda, stating point by point the subjects for discussion, **the corporation ensures that simultaneously with the meeting call, or at least fifteen (15) common days before the meeting, the shareholders receive the Agreement Proposals** that the Board of Directors will submit to the General Assembly of Shareholders concerning each of those points.

10.3 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

The Board of Directors, as per the Bylaws, as per their duties, has to present to the General Shareholders' Assembly, along with the annual Financial Statements, the management report and the profits distribution project, or the absorption and/or cancelation of losses.

The Financial statements and the management report will be presented along with the CEO of the company, but in case of any discrepancies, those will be presented in writing.

The reports will be available to the shareholders in the terms provided to exercise the right of inspection.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation

Date of Modification

10.4. The General Assembly of Shareholders will analyze and approve the corporation's segregation (spinoffs) (*escisión impropia*) only when this subject had been included explicitly in the respective meeting call.

10.4 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

This type of measure, due to its relevant nature, is one of those specifically included in the agenda of the corresponding meeting. Article 32.1 of the Articles of Association of the company, established that, for any company division, a special majority vote will be required, corresponding to a favorable vote of 75% of the subscribed shares and in circulation.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	30-12-2014
Date of Modification	

10.5. The Agenda that the Board of Directors is proposing features the subjects for discussion accurately. It does not permit that any significant issues become obscured under imprecise, nonspecific, overly general, or very wide expressions such as “others” or “proposals and miscellaneous.”

10.5 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

El orden del día que la Junta Directiva propone a la Asamblea contiene de manera expresa e inequívoca los temas a tratar en la reunión respectiva.

The agenda proposed by the Board of Directors to the Assembly, comprises in a detailed and unequivocal manner, the issues to be addressed in the meeting.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

10.6. In the case of amendments to the bylaws, each article or group of articles substantially different will be voted separately. In any case, an article will be voted separately if any shareholder or group of shareholders, representing at least five percent (5%) of the corporate capital, request it during the Assembly. The shareholders will be informed of this right beforehand.

10.6 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

Any shareholder will be able to request, during the General Shareholders' Assembly in which a reform of the corporate bylaws is taking place, to vote each article separately or group of articles, that are substantially independent. This right will be previously made known to the shareholders.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	24-10-2019
Date of Modification	

10.7. Without prejudice to the article 182 of the Code of Commerce, to strengthen and ensure the shareholders' rights of inspection and information before the Assembly, **the bylaws recognize their right to propose the inclusion of one or more points for discussion within the Agenda of the General Assembly of Shareholders, regardless of the size of their stock participation.** This will take place within reasonable period of time and provided that their request includes a justification. The shareholders will make such a request within five (5) common days following the publication of the meeting call.

10.7 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

Any shareholder may propose one or more issues to be discussed in the General Shareholders' Assembly. The General Shareholders' Assembly bylaws set de guidelines to exercise this right.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	24-10-2019
Date of Modification	

10.8. If the Board of Director refuses the request, **it must reply in writing** to those requests supported by at least five percent (5%) of the corporate capital, or a lower proportion as provided by the company based on its degree of ownership concentration. In such a reply, it will **explain the reasons for its decision**, and inform the shareholders of their right to make proposals during the Assembly, under the provisions of the abovementioned article 182 of the Code of Commerce.

10.8 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The General Shareholders' Assembly corporate bylaws, set the guidelines to exercise this right. Once request is received, shall be submitted to be considered by the Board of Directors, which could be accepted or rejected it, and written notice will be sent to the applicant.</p>
<p>No. Expalin:</p>
<p>NA Detail the corporate bylaws that do not allow to adopt the above said recommendation.</p>

Date of Implementation	24-10-2019
Date of Modification	

10.9. If the Board of Directors accepts the request, once expired the shareholders' term to propose subjects –as set forth in the preceding recommendations, **a complement to the meeting call for the General Assembly of Shareholders will be published** at least fifteen (15) common days before the meeting.

10.9 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The General Shareholders' Assembly corporate bylaws set the guidelines to exercise this right. In case, the proposal to add issues to the agenda is approved by the Board of Directors, a supplement of the call will be published with minimum fifteen (15) days prior to the meeting.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation.

Date of Implementation	24-10-2019
Date of Modification	

10.10. Within the same term provided in the paragraph 10.7, **the shareholders may submit new and well-grounded Agreement Proposals** to matters previously included on the Agenda. For these requests, the Board of Directors will act according to the provisions of the paragraphs 10.8 and 10.9 above.

10.10 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

Any shareholder may submit agreement proposals of issues to be addressed on the ordinary General Shareholders' Assembly meeting agenda, as well as issues to be seen therein. The General Shareholders' Assembly corporate bylaws set the guidelines to exercise this right.

No. Explain:

NA Detail the corporate bylaws that do not allow to adopt the above said recommendation.

Date of Implementation	24-10-2019
Date of Modification	

10.11., The corporation will use e-media, and particularly the institutional web site available only to shareholders, to convey to them the documents and information related to each of the points of the Agenda for the meeting.

10.11 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

The shareholders may contact the investor's support office by phone or through the bank's website, so shareholders could have prior to the meeting, information on the issues that will be addressed at the Assembly's meeting. Likewise, the company has the necessary mechanisms to exercise this right.

Detail the corporate bylaws that do not allow to adopt the above said recommendation.

Date of Implementation

Date of Modification

10.12. The corporation bylaws recognize the shareholders’ right to request the information or clarification that they deem appropriate with enough anticipation, either through traditional channels and/or, if suitable, through new technologies, or to express in writing their questions on the subjects of the Agenda, the documentation received, or the public information issued by the corporation. Depending on the term of the corporation to call for a General Assembly of Shareholders, it will determine the period within which the shareholders will exercise this right.

10.12 Measure Implementation

YES

NO

N/A

Yes. Explain briefly.

Any shareholder may request information and clarification on the agenda issues of the General Assembly; documentation received, or public information given by the company. The General Shareholders’ Assembly corporate bylaws set the guidelines to exercise this right.

No. Explain:

Detail the corporate bylaws that do not allow to adopt the above said recommendation.

Date of Implementation	24-10-2019
Date of Modification	

10.13. The corporation foresees that the requested information may be denied if, based on internal procedures, it may be considered: i) non-reasonable; ii) irrelevant to learn about the corporation’s progress or interests; iii) confidential, which will include reserved information within the securities market; business secrets; and transactions in progress, whose success for the company will be contingent upon their secrecy; iv) any other information that if disclosed will compromise imminently and seriously the competitiveness of the company.

10.13 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The General Shareholders’ Assembly corporate bylaws set the guidelines to exercise this right. Requests must be related to any or some issues on the meeting’s agenda. It will be rejected if refers to different issues, it is untimely, it does not fulfill the proper requirements set for this purpose, it is unreasonable or irrelevant, or has confidential or privileged information, industrial secrets, or information related to the Bank’s strategy, its implementation or execution.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation.

Date of Implementation	24-10-2019
Date of Modification	

10.14. When an answer provided to a shareholder may grant him some advantage, the **corporation guarantees the access to that answer to the other shareholders**, on a concomitant basis, according to the mechanisms set forth for that purpose, and under the same conditions.

10.14 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>In accordance with the Governance bylaws in tis second chapter, the answers given by the Board of Directors to petitions, claims, proposals or corporate interest queries submitted by grouped shareholders to this purpose, shall be informed to the market through the entity's website.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

Measure No. 11: Norms on representation.

11.1. Without prejudice to the limits set forth in the article 185 of the Code of Commerce, the External Circular 24 of 2010, and the regulations which may amend, supplement, or substitute them, **the corporation does not limit the shareholder's right to be represented at the General Assembly of Shareholders**, including the delegation of his vote to any other person, whether it is a shareholder or not.

11.1 Measure Implementation YES NO N/A

Yes. Explain briefly:	The article 22.1 of Corporate bylaws allows to grant proxies without setting limits, to the shareholders' right to be represent at the General Shareholders Meeting.
No. Explain:	
NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:	

Date of Implementation	2014/12/30
Date of Modification	

11.2. The corporation minimizes the use of blank-voting representatives or those without voting instructions by promoting actively the use of a standard letter of representation that the company conveys to the shareholders or publishes on its web site. The model features the points of the Agenda and the respective Agreement Proposals, determined under the procedures previously set forth, which will be submitted to the shareholders for consideration. The purpose is that shareholders, as they deem appropriate, may instruct their representatives about their voting on each case.

11.2 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The good Governance Bylaws provides the entity must have with legal proxy (power of attorney) model in order to go to the Shareholders' Meeting. Such proxy should have clearly, the name of the representative, the person to be replaced, date of the meeting/s for which the proxy is granted in accordance with Article 22 of Corporate Bylaws.</p> <p>In addition, in the Shareholders' Meeting Bylaws Article 12 "Representation of Shareholders" provides that Bank, through the General Secretariat must set a proxy model to attend to the Meetings.</p>
<p>No, Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/15
Date of Modification	2016/03/18

Measure No. 12: Attendance of other persons besides the shareholders.

12.1. To revitalize the General Assembly’s role in defining the corporate will, and to turn it into a much more participatory body, its regulation require that **the members of the Board of Directors and particularly the presidents of the Board committees and the President of the corporation attend the Assembly** to address the shareholders’ concerns.

12.1 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The CEO of the Company, the members of the Board of Directors, and in special those who have roles of Board of Directors support committees Head, shall be called to ordinary and extraordinary General Shareholders’ Assembly meetings.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date Implementation	24-10-2019
Date Modification	

III. BOARD OF DIRECTORS

Measure No. 13: Functions of the Board of Directors.

13.1. The bylaws specify explicitly the **functions that will not be delegated to the senior management**, among them the ones provided in recommendation 13.1.

13.1 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

The duties of Board of Directors are consider specifically in the articles 41 and 42 of the Corporate Bylaws, as well as in the Governance Bylaws.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation

Date of Modification

13.2. Without prejudice to the autonomy of the governance bodies of the subordinated companies, **when the corporation acts as the holding company of a conglomerate**, these functions of the Board of Directors keep a group perspective and are **implemented through general policies, guidelines, or information requests that respect the balance between the interests of the holding company, those of the subordinates, and those of the conglomerate as a whole.**

13.2 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

It is provided for in The Articles of Association / Article 41: Duties of the Board of Directors / 41.2/ 3.4.5.6

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2012/12/17
Date of Modification	

Measure No. 14: Regulation of the Board of Directors.

14.1. The Board of Directors has approved internal regulation for its organization, operation, the rights and duties of its members, its President, and its Secretary. This regulation is informed to the shareholders, and they are binding upon the members of the Board.

14.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The Board of Directors approved the internal bylaws that regulates the Company and its functioning, which is part of the company’s Governance bylaws. Appendix 1.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	27-01-2016
Date of Modification	

Measure No. 15: Size of the Board of Directors.

15.1. In its bylaws, the corporation has decided not to have alternate members in its Board of Directors.

15.1 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

In the Article 37 of the Corporate Bylaws, it is incorporated the number of 7 main members with their corresponding alternates.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation

Date of Modification

Measure No. 16: Appointment of the Board of Directors.

16.1. Departing from the premise that, once elected all the members of the Board of Directors act in the corporation’s best interest, **the corporation**, enforcing the highest transparency, **identifies the origin of the different members of the Board** according to the scheme provided in recommendation 16.1.

16.1 Measure Implementation YES NO N/A

Yes. Explain briefly:
No. Explain: The Company strictly complies with Article 44 of the Law 964 of 2005.
NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	
Date of Modification	

16.2. The corporation has procedures, implemented through the Nomination and Compensation Committee, or some other with similar functions, which enable the Board of Directors, based on its own dynamics and the findings of the annual assessments, reach the objectives indicated in recommendation 16.2.

16.2 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

The member of the Board of Directors have been nominated and appointed by the Shareholders' Meeting, based on their background, experience and personal and professional suitability.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation

Date of Modification

16.3. The Board of Directors informs the shareholders about the professional profiles deemed necessary so that the different stakeholders (mainly any controlling, significant, or institutional shareholders, any groups of shareholders or families, if there are any, and the Board itself) may identify the most appropriate candidates.

16.3 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

The members of the Board of Directors have been nominated by shareholders and submitted for consideration by the General Assembly

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	
Date of Modification	

16.4. The corporation considers that the mere review of the résumés by the shareholders is not enough to decide on the candidates' fitness. Consequently, it **has internal procedures to assess any legal incompatibilities and inabilities, as well as a candidate's appropriateness to the needs of the Board of Directors.** These procedures evaluate a set of criteria that the candidates' functional and personal profiles must meet, and verify their compliance with some objective requirements to become a member of the Board of Directors, and some additional requisites to become an independent member.

16.4 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

The candidate's assessment is carried out in advance by the shareholders of the company, who in due time, introduce them to the Assembly.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation

Date of Modification

16.5. Besides the **independence** requirements set forth by the Law 964 of 2005, the corporation **has voluntarily adopted a more rigorous definition** for this concept than that of the said law. Such definition has been accepted as a reference framework through the regulation of the Board of Directors; it includes, among other requirements to be assessed, that of the relationships or links of any kind of a candidate to become an independent member with any controlling or significant shareholders or their related parties, either domestically or abroad. Furthermore, it requires a double statement of independence: (i) that of the candidate before the corporation, its shareholders, and senior-management members, expressed in his letter of acceptance, and (ii) that of the Board of Directors with respect to the candidate’s independence.

16.5 Measure Implementation YES NO N/A

Yes. Explain briefly:
No. Explain: The Company strictly complies with the provisions of the Law 964 of 2005, article 44
NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	
Date of Modification	

16.6. Based on its internal regulations, the corporation considers that the Board of Directors, through its President and with the support of the Nomination and Compensation Committee, or that which fulfill its duties, is the most appropriate body to centralize and coordinate the process to appoint the Board before the General Assembly. In this way, the shareholders that wish to become Board members based on their stock participation, may learn about the Board's needs, express their aspirations, and negotiate any stock-based balances and distribution among the different types of members. Moreover, they may present their candidates and agree that the Nomination and Compensation Committee assess their fitness before the vote during the General Assembly of Shareholders.

16.6 Measure Implementation YES NO N/A

Yes. Explain briefly:
No. Explain: The members of the Board of Directors have been nominated and appointed by the Assembly, based on their background, experience and personal and professional suitability.
NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	
Date of Modification	

16.7. Regulation of the Board of Directors foresees that the assessment of the candidates' suitability must take place before the General Assembly of Shareholders. Consequently, the shareholders will have, with enough anticipation, sufficient information on the proposed candidates (personal qualities, suitability, background, experience, integrity, etc.) to evaluate them well.

16.7 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>It is foreseen in the internal regulations of the Board of Directors, Article 2 Nomination and appointment of the members of the Board of Directors, paragraph 2, which is part of the Governance Bylaws of the Entity, appendix 1.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	27/01/2016
Date of Modification	

Measure No. 17: Functional structure of the Board of Directors.

17.1. Regulation of the Board of Directors provides that **the independent and proprietary members are always a majority with respect to the executive members** whose number, if they are included in the Board of Directors, will be the minimum necessary to meet the information and coordination requirements that exist between the Board of Directors and the corporation’s senior management.

17.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>When members of the Board of Directors are appointed, shall be taken into account the independent and patrimonial members that constitute a numerical majority, in relation to the Executive Members.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	21-08-2019
Date of Modification	

17.2. Beyond the minimum rate of twenty-five percent (25%) of **independent members** set forth by the Law 964 of 2005, **the corporation analyzes and adjusts upwardly their number on a voluntary basis.** Not being a fixed rule, this occurs in a way that the proportion of proprietary and independent members within the Board of Directors is comparable with the stock participation of the controlling and significant shareholders, and that of the floating capital, where the minority shareholders are.

17.2 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The percentage of independent members, in reference to the concept of independence provided for in the Law 964 of 2005, shall surpass the minimum percentage of independent directors established in said Law.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	21-08-2019
Date of Modification	

Measure No. 18: Organization of the Board of Directors.

18.1. The bylaws specify the functions of the President of the Board of Directors, and his leading responsibilities are the ones provided in recommendation 18.1.

18.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>These duties are provided for in the Article 40 of the Corporate Bylaws.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	18/03/2016
Date of Modification	

18.2. The corporation’s internal regulations foresee the possibility that the **President of the Board of Directors may have a different treatment than that of the other members**, both in his obligations and his remuneration, because of the scope of his specific functions and his increased time commitment.

18.2 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The Chairman of the Board of Directors may have a differentiated treatment regarding his obligations and remuneration. The above, in consideration of the greater time he must dedicate to his or her role in order to perform his or her specific duties.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	21-08-2019
Date of Modification	

18.3. The bylaws specify the norms for the appointment of the Secretary of the Board of Directors, among which are those indicated in recommendation 18.3.

18.3 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The Article 58 of the Company's Corporate Bylaws regulates the appointment and duties of the Secretary of the Board of Directors in accordance with the rules of recommendation 18.3.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	24-10-2019
Date of Modification	

18.4. Regulation of the Board of Directors set forth the Secretary’s functions, among them are those indicated in recommendation 18.4.

18.4 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The Board of Directors, in its January 2016 session, approved the rules of procedure of this collegiate body, which includes the duties of the Secretary of the Board of Directors.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	27/01/2016
Date of Modification	

18.5. The Board of Directors has created a Nomination and Compensation Committee.

18.5 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The Board of Directors, in the exercise of the legal and Corporate Bylaws duties, created the Nomination and Compensation Committee (today, Human Resources Committee), which will serve as support for the administration and whose duties are described in the Governance Bylaws.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	30/12/2014
Date of Modification	30/11/2016

18.6. The Board of Directors has created a Risk Committee.

18.6 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

In its October 2016 session, the Board of Directors approved the entity's Risk Committee creation, which will provide support to the Board of Directors, and whose mandate is described in the Code of Good Governance.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	26/10/2016
Date of Modification	

18.7. The Board of Directors has created a Corporate Governance Committee.

18.7 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The Board of Directors, in the exercise of the legal and Corporate Bylaws duties, created the Code of Corporate Governance which will serve as support of the Board of Directors and will be formed by three members (main and alternates) of the collegiate body.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	15/12/2015
Date of Modification	

18.8. If the corporation considers that it is unnecessary to create all these committees, their functions are distributed among the committees that do exist, or they are performed by the Board of Directors at large.

18.8 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>Audit Committee, a Compliance Committee, an Internal Control and Non-Financial Risks Committee, a Corporate Governance Committee, a Risk Committee, all of which support the Board of Directors, and the Steering, Assets and Liabilities Committee (ALCO), an Investment Committee (RAC), a Human Resources Committee, a Reputational Risk Committee, a Customer Service and Experience Committee, and a Pricing Committee, all of which support the CEO of the company.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2015/12/15
Date of Modification	2016/11/30

18.9. Each of the committees of the Board of Directors has its internal regulation for its creation, its functions, the subjects in which the committee must work, and its operation. They pay special attention to the channels of communication between the committees and the Board of Directors; and in the case of conglomerates, to the tools for the interaction and coordination between the committees of the Board of Directors of the holding company and those of the subordinate companies, if they exist.

18.9 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>Each of the committees of the Board of Directors has an Internal Regulation, which is contemplated in the Governance bylaws of the entity.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2016/11/30
Date of Modification	

18.10. The committees of the Board of Directors are comprised exclusively by independent or proprietary members exclusively; they have a minimum of three (3) members, and are chaired by an independent member. In the case of the Nomination and Compensation Committee, the independent members are always a majority.

18.10 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

Formation of Committees of support to the Board of Directors will be decided by the Board, taking into account that they must be composed exclusively by Independent and Patrimonial Members, and be chaired by an Independent Member.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	24-10-2019
Date of Modification	

18.11. The committees of the Board of Directors may have the support, specific or permanent, of senior management members, with experience in the matters of the committee's competence, and/or that of external experts.

18.11 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The support of the Senior Management to the Board of Directors is foreseen.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

18.12. In the creation of its committees, the Board of Directors takes into account the profiles, knowledge, and professional experience of their members, with regard to the committee’s subject matter.

18.12 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>For the integration of the committees, the Board of Directors evaluates the suitability and relevant skills and knowledge of its members, in relation to the objectives of the committee.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

18.13. The committees draft minutes of their meetings and send a copy of them to all the members of the corporation's Board of Directors. If the committees have delegated functions that enable them to take decisions, the minutes will comply with the requirements of the articles 189 and 431 of the Code of Commerce.

18.13 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p>
<p>No. Explain:</p> <p>From the meetings of each committee, formal minutes are taken, and are kept by the corresponding Secretariat.</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	
Date of Modification	

18.14. Except if the applicable legal or regulatory framework demands their creation, in the case of conglomerates, the internal regulations foresee that **the Boards of Directors of the subordinate companies may decide not to create specific committees** to deal with certain matters, and those matters may be assumed by the committees of the Board of Directors of the holding company. However, this will not imply a transfer of the responsibilities of the Boards of Directors of the subordinate companies to the holding company.

18.14 Measure Implementation

YES NO N/A

<p>Yes. Explain briefly:</p> <p>The Good Governance Bylaws embraces the corporate organization model to manage the Bank and its subsidiaries and in consideration of this, the decisions of the Board Committees established by the controlling entity, will have effect on the subordinate ones, and therefore, the non- constitution of these committees in the subsidiaries will be possible.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

18.15. The main duty of the Audit Committee is to assist the Board of Directors in its supervisory functions through the assessment of the accounting procedures, the interaction with the Statutory Auditor and, in general, the monitoring of the corporation's Control Architecture, including its risk management system.

18.15 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The purpose of the Audit Committee is to assist the Board of Directors in the design of internal control procedures and systems as established in the entity's Governance Bylaws.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

18.16. The members of the Audit Committee are knowledgeable in accounting, finance, and other related matters. This enables them to treat the committee’s subject matters with accuracy, and with an adequate understanding of their scope and complexity.

18.16 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The members of the Audit Committee have the professional suitability, background, experience and knowledge related to the exercise of the banking activity, as well as their condition as independent members of the Board of Directors, which allows them to pronounce with objectivity, independence and rigor on the aspects corresponding to this Committee.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

18.17. Upon request of the President of the Assembly, the **President of the Audit Committee informs the General Assembly of Shareholders** of concrete aspects of the committee’s work, for instance, the analysis of the scope and contents of the Report of the Statutory Auditor.

18.17 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>In compliance with the established rules that regulate the Audit Committee activities, the corresponding report is prepared and presented annually to the General Shareholders’ Assembly.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	30-12-2014
Date of Modification	

18.18. The committee’s internal regulation assigns it the functions indicated in recommendation 18.18.

18.18 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p>
<p>No. Explain:</p> <p>The Audit Committee duties are foreseen in the Company's Governance Bylaws and in the Basic Legal Circular issued by the Financial Superintendency.</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	
Date of Modification	

18.19. The main goal of the Nomination and Compensation Committee is to support the Board of Directors in its advising and decision-making duties relative to the nomination and compensation of Board members and senior managers. In addition, it must monitor regularly the observance of Corporate Governance norms, recommendations, and principles (in those cases when this function is not assigned explicitly to another corporate committee).

18.19 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p>
<p>No. Explain:</p> <p>The main duty of the Nomination and Compensation Committee (today, Human Resource) in accordance with the Governance bylaws, is to make recommendations to the Bank's Management on aspects and processes related to human talent.</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	
Date of Modification	

18.20. Some members of the Nomination and Compensation Committee are knowledgeable in strategy and human resources (selection, recruitment, hiring, training, staff management), compensation policies and related matters, so that they understand their scope and complexity within the corporation.

18.20 Measure Implementation YES N/A

<p>Yes. Explain briefly:</p> <p>The members of the Human Resources Committee meet the recommended profile.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

18.21. Upon request of the President of the Assembly, the President of the Nomination and Compensation Committee may inform the General Assembly of Shareholders on the concrete tasks that the committee has performed, such as monitoring the compensation policies for the Board of Directors and senior managers.

18.21 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p>
<p>No. Explain:</p> <p>There is no restriction in the entity for the Chairman of the Assembly, to request a report on the development of the Committee's duties.</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	
Date of Modification	

18.22. The internal regulation of the Nomination and Compensation Committee assigns it the functions provided in recommendation 18.22.

18.22 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

NO. Explain:

The main duty of the Human Management Committee, in accordance with the Governance bylaws, is to make recommendations to the Bank's Administration on aspects and processes related to human talent.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation

Date of Modification

18.23. The main objective of the **Risk Committee** is to assist the Board of Directors in its responsibility to oversee the management of risks.

18.23 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The Board of Directors approved the Risk Committee creation, whose mandate is contemplated in the entity's Governance Bylaws.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2016/09/28
Date of Modification	

18.24. Upon request of the President of the Assembly, the **President of the Risk Committee may inform the General Assembly of Shareholders** on the concrete tasks that the committee has performed.

18.24 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>There is no prohibition for the Chairman of the assembly to ask the Head of Risk Committee to report on the work done by the Risk Committee. This request may be made through the General Secretariat.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	30-12-2014
Date of Modification	

18.25. Given any necessary adjustments to distinguish between corporations of the financial sector and those of the economy’s real sector, and without prejudice to the functions prescribed to this committee by the norms in force, **the Risk Committee’s internal regulation assigns it the functions provided in recommendation 18.25.**

18.25 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p>
<p>No. Explain:</p> <p>The Risk Committee has internal regulations, which are aligned with the recommendations made by the head office.</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	
Date of Modification	

18.26. The main objective of the Corporate Governance Committee is to **assist the Board of Directors in its functions to propose and supervise the corporation’s governance measures.**

18.26 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The Board of Directors, at its December 2015 meeting, created the Corporate Governance Committee in response to the review process carried out, denominated Country Code, as well as certain practices of the Head Office in this area.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2015/12/15
Date of Modification	

18.27. The internal regulation of the Corporate Governance Committee assigns it the functions provided in recommendation 18.27.

18.27 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The recommendations are contemplated in the mandate of the Corporate Governance Committee which is part of the entity's Code of Good Governance.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2015/12/15
Date of Modification	

Measure No. 19: Operation of the Board of Directors.

19.1 The President of the Board of Directors with the assistance of the Secretary and of the President of the corporation **prepares a work plan for the Board**, for the period under assessment. This tool helps to determine a reasonable number of ordinary meetings per year, and their estimated length.

19.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>In accordance with the Regulations of the Board of Directors, the Chairman of the Board is responsible for coordinating and planning the operation of the Board of Directors by establishing an annual work plan based on the assigned duties, for which he or she will be supported by the Secretary of the Board of Directors and the CEO of the Bank. Such planning will include an estimate of the meetings to be held during the period, as well as how long would them be, in average.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	21-08-2019
Date of Modification	

19.2. The Board of Directors of the corporation holds between eight (8) and twelve (12) ordinary meetings per year; except for the entities subject to surveillance, which must hold at least one (1) meeting per month because of their regime.

19.2 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The Board of Directors of Scotiabank Colpatria S.A. will carry out its meetings, in accordance with the provisions of the Articles of Association at least once a month, it means, 12 ordinary meetings per year.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2012/01/17
Date of Modification	

19.3. One (1) or two (2) of the Board's meetings per year make a distinctive emphasis on the definition and monitoring of the corporation's strategy.

19.3 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The agenda of the Board of Directors meetings includes issues of follow-up to the company's strategy.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

19.4. The Board of Directors approves a concrete calendar for its ordinary sessions. However, it may also meet, on an extraordinary basis, as many times as necessary.

19.4 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The General Secretariat of the Company schedules the meetings of the Board of Directors to be held throughout the year, which is submitted for consideration by that collegiate body.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	30/12/2014
Date of Modification	

19.5. At least five (5) common days before the meeting, the Board members receive, simultaneously with the meeting call, the documents or information related to each of the points on the Agenda. This ensures their active participation and their well-thought decision-making.

19.5 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The General Secretariat of the Company prepares and distributes all information to the members of the Board of Directors, five business days in advance, as defined in the Code of Good Governance.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	20/06/2018
Date of Modification	

19.6. The President of the Board of Directors, with the support of the Board's Secretary, **assumes the ultimate responsibility for the timeliness and usefulness of the information delivered to the members.** Consequently, in the set of documents provided (the *dashboard* of the Board of Directors) the quality will be most important than the quantity.

19.6 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>In accordance with the Regulations of the Board of Directors, the CEO shall ensure timely information delivery to the members of the Board of Directors, with the support of the Secretary of the Board of Directors. The above said, information must be made available to the Directors at least five (5) days in advance. Such information must be useful and of good quality.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	21-08-2019
Date of Modification	

19.7. The ultimate responsibility to prepare the Agenda for the meetings of the Board of Directors corresponds to the Board's President and not to the President of the corporation. The structure of the Agenda follows given parameters that ensure a logical order for the presentation of the subjects and for the debates.

19.7 Measure Implementation YES NO N/A

Yes. Explain briefly:

No. Explain:
 The General Secretariat, under supervision of the Chairman of the Board of Directors, is responsible for the preparation of the structured and organized agenda prior to each session.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	
Date of Modification	

19.8. On the Annual Corporate Governance Report and on the institutional web site, the company publishes the attendance of the Board members to the meetings of the Board of Directors and to its committees.

19.8 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p>
<p>No. Explain:</p> <p>The General Secretariat has established a mechanism of control on the attendance of the members of the Board of Directors and its Committees.</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	
Date of Modification	

19.9. Every year, the Board of Directors assesses the effectiveness of its work as a collective body, that of its committees, and that of its members individually considered, including peer evaluation. Furthermore, it evaluates the reasonableness of its internal regulations, and the dedication and performance of its members, proposing changes in its organization and operation deemed pertinent. In the case of conglomerates, the Board of Directors of the holding company demands that the assessment process takes place also within the Boards of Directors of the subordinate companies.

19.9 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The Board of Directors approved the skills matrix and self-assessment of the members of the Board of Directors of the bank. The first period evaluated was the year 2016.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2016/09/26
Date of Modification	

19.10. The Board of Directors alternates internal evaluation techniques with external evaluation performed by independent advisors.

19.10 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The evaluation of the Board of Directors will be carried out through the annual self-assessment mechanism and additionally, a consultancy will be performed by an independent advisor on a regular basis.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	21-08-2019
Date of Modification	

Measure No. 20: Duties and rights of the members of the Board of Directors.

20.1. Regulation of the Board of Directors complements the dispositions of the company’s regulatory framework regarding the duties and rights of the Board members.

20.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>In addition to the duties provided for in the applicable regulations and in the Articles of Association, the Board of Directors Regulations establish the Duties and Rights of the members of the Board of Directors.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	21-08-2019
Date of Modification	

20.2. Regulation of the Board of Directors develops the company's understanding of the **duties of the Board members indicated in recommendation 20.2.**

20.2 Measure Implementation

YES

NO

N/A

<p>Yes. Explain briefly:</p> <p>The Rules of Procedure of the Board of Directors, establish the duties of the members of the Board of Directors indicated on recommendation 20.2.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	21-08-2019
Date of Modification	

20.3. Regulation of the Board of Directors develops the contents of the rights of the Board members indicated in recommendation 20.3.

20.3 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The Rules of Procedure of the Board of Directors establish the Rights of the members of the Board of Directors indicated on recommendation 20.3

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	21-08-2019
Date of Modification	

Measure No. 21: Conflicts of interest.

21.1. In its internal regulations, **the corporation has** a clear and formal **policy and procedure for the identification, management, and resolution of conflicts of interest, whether direct or indirect through related parties**, that may affect the members of the Board of Directors and other managers.

21.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The Company's Code of Good Governance indicates the alternatives for the resolution of conflicts of interest.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

21.2. The procedure for the management of conflicts of interest makes a distinction about their nature as occasional or permanent. If they are occasional, the applicable procedure indicates the rules and steps to be followed, which should be relatively easy to implement and hard to avoid for those affected. In the case of permanent conflicts of interest, the procedure stipulates that if the situation affects the corporation's overall operations, it must be regarded as a cause for the obligatory resignation of those affected, for it makes it impossible for them to hold the position.

21.2 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p>
<p>No. Explain:</p> <p>El Código de Buen Gobierno contiene los lineamientos para la gestión de los Conflictos de Interés</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	
Date of Modification	

21.3. The members of the Board of Directors, legal representatives, senior managers, and other administrators of the corporation **inform the Board periodically about any relationships**, whether direct or indirect, that they keep between them, or with other entities or structures of the conglomerate to which the issuer belongs, or with the issuer, or with providers, or clients, or any other stakeholders, out of which given conflicts of interest might arise, or that might influence their opinion or vote, thereby building up the managers' *"map of related parties."*

21.3 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

Every month in the sessions of the Board of Directors, the operations with Directors and/or their Officers are presented.

NO. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

21.4. Any relevant conflict-of-interest situations, understood as those that would force the affected to refrain from attending a meeting and/or voting, involving the members of the Board of Directors and remaining managers, **are featured in the public information** that the corporation posts every year on its web site.

21.4 Measure Implementation

YES

NO

N/A

<p>Yes. Explain briefly:</p> <p>All situations in which members of the Board of Directors and other Directors are involved, can be found in the Management Report that is published annually on the Bank's website.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

21.5. For these purposes, **the definition of Related Party** that the corporation applies is **consistent with the International Accounting Standard No. 24 (IAS 24)**.

21.5 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

The Bank complies with current legal regulations. In the internal policies of Operations with Related Parties, the definition of Related Party will be updated in accordance with the provisions of NIC 24.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

Measure No. 22: Related Party Transactions.

22.1. The corporation has a policy that specifies the concrete procedures for the assessment, approval, and disclosure of related-party transactions, including any pending balances, and the relationships among those transactions.

22.1 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The Bank has a related parties trading regime, which is published on its website.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2010/12/30
Date of Modification	

22.2. The corporation's policy on related-party transactions addresses the matters provided in recommendation 22.2.

22.2 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

The Bank has a related parties trading regime, which is published on its website. In addition, related parties transactions are disclosed on the Financial Statements notes published annually.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation

Date of Modification

22.3. The policy foresees that the Board of Directors does not need to authorize explicitly the related-party transactions if they are recurrent and pertain to the ordinary course of business, and performed by virtue of contracts of adhesion or master agreements, whose conditions are fully standardized, are applied massively, and carried out at market prices that have been set, on a general basis, by those who provide the given good or service, and the individual amount of which is not relevant to the corporation.

22.3 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p>
<p>No. Explain:</p> <p>The Bank has a related parties trading regime, which is published on its website. In addition, these transactions are reviewed by the Board of Directors.</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	
Date of Modification	

Measure No. 23: Compensation of members of the Board of Directors.

23.1. The corporation has a compensation policy for the Board of Directors approved by the General Assembly of Shareholders that is reviewed every year. **It identifies all the compensation elements that may be actually met.** These elements may be fixed or variable. They may include fixed honoraria for being a Board member, honoraria for attending the Board sessions and/or its committee meetings, and other allowances of any type earned throughout the appointment, for whatever cause, either in cash or in kind. They also include any obligations assumed by the corporation in terms of pension or life-insurance payments, or other items, awarded to senior or newer members, as well as any liability-insurance coverage (Directors and Officers – D&O policies) that the company acquires for its Board members.

23.1 Measure Implementation YES NO N/A

Yes. Explain briefly:
No. Explain: The Articles of Association contemplate that within the General Shareholders' Assembly duties are, to indicate the attendance fees to Board of Directors meetings.
NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	
Date of Modification	

23.2. If the corporation adopts any variable compensation systems related to the company's progress in the medium and long terms, **the compensation policy sets limits to the amounts** that may be distributed to the Board of Directors. If the variable component is related to the corporation's profits or other management indicators by the closing of the term assessed, whatever qualifications [*salvedades*] made by the Statutory Auditor in his report, which could lessen the term's results, will be considered.

23.2 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

The Company does not have a variable remuneration system for members of the Board of Directors.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation

Date of Modification

23.3. The proprietary and independent members of the Board of Directors are explicitly excluded from compensation schemes that include stock options or from a variable compensation linked to absolute changes in share prices.

23.3 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

The Company does not have a variable remuneration system for members of the Board of Directors.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	
Date of Modification	

23.4. Within the compensation policy, for every term assessed, the General Assembly of Shareholders approves a maximum cost for the Board of Directors, including all the compensation elements authorized.

23.4 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

The Company does not have a variable remuneration system for members of the Board of Directors.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	
Date of Modification	

23.5. The shareholders know the complete actual cost of the Board of Directors during the term assessed, including all the compensation elements awarded to the Board members plus any spending reimbursements. Furthermore, it is published on the corporation's web site, itemized and detailed as the Board approves.

23.5 Measure Implementation

YES

NO

N/A

<p>Yes. Explain briefly:</p>
<p>No. Explain:</p> <p>The Company does not have a variable remuneration system for members of the Board of Directors.</p> <p>The Articles of Association contemplate that within the General Shareholders' Assembly duties are, to indicate the attendance fees to Board of Directors meetings.</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	
Date of Modification	

Measure No. 24: The President of the corporation and the senior management.

24.1. The corporation’s governance model creates an effective separation between the corporation’s administration or governance (represented by the Board of Directors) **and the ordinary course of business** (in the hands of the senior management and led by the President of the corporation).

24.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The Company’s Government Model establishes such independence which is covered by the Corporate Bylaws, in the Code of Good Governance and Law 964 of 2005 Art. 44.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

24.2. In general, the policy of the Board of Directors consists of delegating the ordinary course of business to the senior management team, thereby focusing its activities on the overall strategy, supervisory, governance, and control functions.

24.2 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The Company's Government Model establishes such independence which is covered by the Corporate Bylaws, in the Code of Good Governance and Law 964 of 2005 Art. 44.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation

2014/12/30

Date of Modification

24.3. As a general rule, the President of the corporation identifies, assesses, and appoints the senior management members directly, for they are his immediate staff. Otherwise, **the corporation may have the Board of Directors appoint the senior management members upon the proposal of the President of the company.** However, no matter who makes the final appointment, the Board’s Nomination and Compensation Committee will get to know and assess the candidates to hold key executive positions within the company, and it will issue its opinion.

24.3 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p>
<p>No. Explain:</p> <p>The Senior Management position are appointed as provided for in the Articles of Association.</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	
Date of Modification	

24.4. The corporation has a clear policy to delegate functions approved by the Board of Directors and/or a power scheme that permits to assess the degree of empowerment of the President of the corporation, and that of the remaining members of the senior management.

24.4 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

The functions for both the Board of Directors and the CEO of the Company are set out in the Articles of Association, the Code of Good Governance and other applicable rules.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation

Date of Modification

24.5. The Board of Directors, through the Nomination and Compensation Committee, or whoever fulfills its functions, **leads annually the performance assessment of the President of the corporation**, and learns about the assessments of the other senior management members.

24.5 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

The Chairman of the Board of Directors leads the CEO of the company assessment, as well as the other members of the Senior Management.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	
Date of Modification	

24.6. The corporation has a compensation policy for the President of the company, and for the remaining senior management members approved by the Board of Directors. It identifies all the compensation elements that may be actually met, bound to the attainment of long-term objectives and to risk levels.

24.6 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

Remuneration criteria of the Senior Management and CEO, are designed under the supervision and monitoring of the Chairman of the Board of Directors, trying to balance the different remuneration components.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation

Date of Modification

24.7. If the compensation of the President of the corporation **includes fixed and variable components, its technical design and method of calculation impede that the variable component may surpass the maximum limit set forth by the Board of Directors.**

24.7 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:
No. Explain: The CEO's remuneration involves, in a balanced manner, several remuneration components, under the Chairman of the Board of Directors supervision.
NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	
Date of Modification	

IV. CONTROL ARCHITECTURE

Measure No. 25: Environment of control.

25.1. The Board of Directors is ultimately responsible for the existence of a sound environment of control within the corporation, adapted to its nature, size, complexity, and risks, in a way that it meets the provisions indicated in recommendation 25.1.

25.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The Internal Control System Policies and Guidelines establish this.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

25.2. In the case of conglomerates, the Board of Directors of the holding company will **foster a comprehensive** and formal **Control Architecture** covering all the subordinate companies. It will establish responsibilities for the related policies and guidelines throughout the conglomerate and define clear reporting lines. All this will promote an all-inclusive perspective of the conglomerate’s risks as well as the adoption of pertinent control mechanisms.

25.2 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The policies and guidelines of the Company's Internal Control System are applicable to all subsidiaries.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

Measure No. 26: Risk management.

26.1. The corporation's **risk management objectives** are the ones indicated in recommendation 26.1.

26.1 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The different associated risks management (SARO, SARLAFT, SARC, SARM, SARL, SAC, etc.) has the objectives described in the recommendation.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

26.2. The corporation has a *map of risks*, understood as a tool to identify and monitor the financial and non-financial risks to which it is exposed.

26.2 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The company has a general risk appetite framework which is submitted to the Board of Directors for consideration, evaluation and monitoring. Each of the different associated risks is managed by the respective Management, using different maps for, identification, evaluation, measurement and control of risks.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

26.3. The Board of Directors is responsible for defining a risk management policy, and for setting maximum limits of exposure for each risk identified.

26.3 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

All risk management policies must be approved by the Board of Directors, which also determines the maximum exposure limits.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

26.4. The Board of Directors knows about, and supervises periodically, the corporation's actual exposure to the maximum risk limits determined, and it proposes corrective and follow-up actions in case of deviations.

26.4 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The general framework of risk appetite is regularly monitored by the Board of Directors. Likewise, for the management of the different associated risks (SARO, SARLAFT, SARC, SARM, SARL, SAC) the managers in charge of their management, make reports to the Board of Directors, in order to present to its consideration the measures or action plans in the events that take place.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

26.5. Within the risk management policy framework, **the senior management performs the processes and is responsible for managing the risks**; therefore, it must identify, assess, estimate, control, monitor, and report them. In doing so, it defines methodologies and ensures that the management of risks is coherent with the risk strategies and policies set forth, and with the top limits approved.

26.5 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

Senior Directorship is responsible for the risk management of the entity under the supervision of the Board of Directors in compliance with approved policies and limits.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

26.6. The corporation has la policy to delegate risks approved by the Board of Directors. It establishes the limits of risk that may be managed directly at each of its levels.

26.6 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The company has a general risk appetite framework which is submitted to the Board of Directors for consideration, evaluation and monitoring. Each of the different associated risks is managed by the respective Management, using different maps for, identification, evaluation, measurement and control of risks.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	30/12/2014
Date of Modification	

26.7. Within conglomerates, there must be a comprehensive management of risks, so that there is cohesion among the belonging companies and control of them.

26.7 Measure Implementation

YES NO N/A

Yes. Explain briefly:	
<p>The company implemented the various Risk Management Systems, taking into account the provisions of the various circulars issued by the Colombian Financial Superintendency, which set the basis and minimum guidelines to be implemented in each of the risks (SARC, SARO, SARL, SARM, SARLAFT, SAC); likewise, the subsidiaries, based on and aligned with the Bank's guidelines, and the head office, have developed their corresponding Risk Management Systems. The evaluations and risk management are managed independently by each company and their results are presented to the respective Board of Directors, but under an integral vision and matrix report; in fact, the entity has a Risk Committee that allows monitoring the risk management in a consolidated manner and considering the information generated by the subsidiaries.</p>	
No. Explain:	
NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:	

Date of Implementation	24-09-2019
Date of Modification	

26.8. If the corporation has a complex and diverse structure for business and transactions, **there is a risk management post (CRO *Chief Risk Officer*)**. In the case of companies integrated in control configurations and/or business groups, the incumbent has faculties over the conglomerate at large.

26.8 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

En la entidad existe una posición que agrupa la mayoría de los riesgos asociados a la actividad bancaria. En la Vicepresidencia Senior de Crédito y Riesgos se gestionan el SARC, SARM, SARL, SARO y SARLAFT.

The bank has a position that groups most of the risks associated with banking activity. The Credit and Risks Senior Vice president manages the SARC, SARM, SARL, SARO and SARLAFT.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

Measure No. 27: Control activities.

27.1. The Board of Directors is responsible for ensuring that there is an adequate internal control system, adjusted to the corporation and its complexity, and coherent with the risk management in force.

27.1 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The Internal Control System Policies and Guidelines establish this.

No. Explain:

The Internal Control System Policies and Guidelines provide for this.

Date of Implementation	2014/12/30
Date of Modification	

27.2. The Board of Directors is responsible for overseeing the effectiveness and suitability of the internal control system. This could be delegated to the Audit Committee, with no lessening of the Board's supervisory responsibilities.

27.2 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The Internal Control System Policies and Guidelines establish this. In fact, the Audit Committee oversees the Internal Audit management and the Fiscal Auditor reports, it does not mean there is an absence of liability by the Board of Directors.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

27.3. The corporation applies and demands the self-control principle. It is understood as the *ability of the individuals who participate in the various processes to consider control as an inherent part of their responsibilities, fields of activity, and decision-making.*

27.3 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The Internal Control System Policies and Guidelines establish this.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

Measure No. 28: Information and communication.

28.1. Within the corporation, there is top-down and horizontal communication about the culture, philosophy, and policies concerning risk, and about the limits of exposure approved, so that the staff at large regards the risks and control activities within their functions.

28.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>Each management in charge of risk management, and it is responsible for carrying out communication campaigns about the main risks of exposure and plans for its mitigation and prevention.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

28.2. Within the corporation, **there is a bottom-up mechanism to report information** (toward the Board of Directors and the senior management) reliable, clear, and complete, which provides support and permits an informed decision-making, risk management, and control.

28.2 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

Through periodic reports of the Board of Directors and committees to support the Company's CEO.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation

2014/12/30

Date of Modification

28.3. The corporation's mechanisms for communication and report of information:

- i. Allow the senior management to engage the corporation as a whole, highlighting its responsibility in risk management and the setup of controls.
- ii. Enable the corporation's personnel to understand their role in risk management and the identification of controls, as well as their individual contribution in connection with the work of others.

28.3 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The Senior Management, through virtual communication mechanisms, promotes risk management responsibility and the application of the necessary controls for its mitigation.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

28.4. There are internal anonymous-tip systems or “whistle blowers” through which the employees may inform anonymously any illegal or unethical behaviors, or those that may contravene the corporation’s risk management and control culture. The Board of Directors receives a report on these claims.

28.4 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The Board of Directors has as a duty, among others, to know the reports regarding complaints received in the anonymous complaints line to be presented by the Bank’s Audit.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	21-08-2019
Date of Modification	

Measure No. 29: Monitoring of the Control Architecture.

29.1. The Board of Directors, through the Audit Committee, is responsible for overseeing the effectiveness of the different components of the corporation's Control Architecture.

29.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The audit committee meets quarterly and its agenda includes at least one presentation by the tax reviewer on its management, regarding effectiveness in risk management, and an internal audit report on the development of its management.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

29.2. The corporation's **monitoring activities, aimed at confirming the effectiveness of the Control Architecture**, involve, in a special way, the **cooperation of the** internal audit functions **and of the Statutory Auditor** in matters within their competence, and particularly those regarding the company's financial information.

29.2 Measure Implementation

YES

NO

N/A

<p>Yes. Explain briefly:</p> <p>This duty is carried out by the Internal Audit as established by its mandate. The company's Fiscal Auditor, in the exercise of his duties, must ensure the effectiveness of the control architecture and report periodically before the audit committee.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

29.3. The corporation's internal audit function has bylaws approved by the Audit Committee. They describe explicitly the scope of its duties, and should comprise the topics indicated in recommendation 29.3.

29.3 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The audit mandate, which was approved by the Audit Committee, describes the duties according to the issues of this recommendation.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

29.4. The head director of the internal audit remains professionally independent of the senior management of the corporation or conglomerate that has hired him, by being functionally dependent from the Audit Committee exclusively.

29.4 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The maximum authority of internal audit reports to the head office, and with the CEO of the company, it only maintains a functional relationship.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

29.5. The corporation’s Board of Directors is responsible for appointing and dismissing the head of the internal audit upon the proposal of the Audit Committee. The market is informed of his dismissal or resignation.

29.5 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The Board of Directors duties are, among others, based on the recommendation of the Audit Committee, to appoint the person responsible for the Internal Audit of the company. The appointment and resignation or removal must be communicated to the market.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	21-08-2019
Date of Modification	

29.6. The Statutory Auditor of the corporation or conglomerate is clearly independent of them. The respective audit report makes a statement about this capacity.

29.6 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The fiscal auditor is elected by the shareholders' meeting and keeps a clear independent relation with the company.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
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29.7. If the corporation is the holding company of a conglomerate, **the Statutory Auditor is the same for all the companies, including those that are offshore.**

29.7 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The firm acting as fiscal auditor is the same for all companies both locally and abroad.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
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29.8. The corporation has a policy to appoint the Statutory Auditor approved by the Board of Directors and communicated to the shareholders. It contains the provisions indicated in recommendation 29.8.

29.8 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The Code of Good Corporate Governance establishes the Policy for Fiscal Auditor Appointment, which includes the provisions of recommendation 29.8.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	21-08-2019
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29.9. The corporation sets forth a maximum contract term with the auditing firm that ranges between five (5) and ten (10) years, in order to avoid excessive proximity with such a firm and/or its teams, and to safeguard its independence. Regarding Statutory Auditor-natural person without contract with any auditing firm, the maximum contract term is 5 years.

29.9 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

The company has by statute, left as a possibility the indefinite re-election of the Fiscal Auditor.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation

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29.10. Within the maximum contract term, halfway through it, the corporation **promotes the turnover of the auditing-firm associates assigned to it**, and that of their work teams. At the end of such term, the turnover of the firm itself must obligatorily take place.

29.10 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain

The contract signed foresees rotation within 5 years time.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	
Date of Modification	

29.11. The corporation extends the existing prohibition to avoid **contracting with the Statutory Auditor any professional services other than the auditing of its accounts** –and related functions sanctioned by the current regulations, to individuals or entities related to the auditing firm. This includes companies within the group of the auditing firm, and companies of which a large number of shareholders and/or administrators coincide with those of the auditing firm.

29.11 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

No. Explain:

The company exclusively hired the firm, for Tax Audit services.

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	
Date of Modification	

29.12. In its public information, **the corporation discloses the total amount of the contract with the Statutory Auditor**, as well as the proportion that these honoraria have for the auditing firm in relation to the total income associated to the firm’s financial auditing activity.

29.12 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p>
<p>No. Explain:</p> <p>All information related to the Fiscal Auditor is submitted for approval by the General Shareholders Meeting and the document that supports such decisions is the corresponding minutes of the meeting, which is sent to the supervisory and control body.</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	
Date of Modification	

V. FINANCIAL AND NON-FINANCIAL TRANSPARENCY AND INFORMATION

Measure No. 30: Information disclosure policy.

30.1. The Board of Directors has approved an information disclosure policy that features, at least the information provided in recommendation 30.1.

30.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The Code of Good Corporate Governance establishes the Information Disclosure Policy, which includes the information in recommendation 30.1</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	21-08-2019
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30.2. In the case of conglomerates, the disclosure of information to third parties is comprehensive and transversal in regard to the group of companies, so that those external parties may have a well-grounded idea of the conglomerate’s facts, organization, complexity, activity, size, and governance model.

30.2 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>In this area, the Bank fully complies with the relevant information rules, applicable to securities issuers.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	2014/12/30
Date of Modification	

Measure No. 31: Financial statements.

31.1. If there are qualifications [salvedades] in the Statutory Auditor’s report, these, and any possible corporate actions to solve the situation, will be explained to the shareholders gathered at the General Assembly, by the president of the Audit Committee.

31.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The Fiscal Auditor will issue its periodic reports in accordance with applicable regulations, including the expert opinion on the financial statements at the end of the fiscal year to be presented to the General Shareholders' Meeting. In case that in such report, the Fiscal Auditor presents exceptions, the Head of the Audit Committee will pronounce on them and on the plans to solve such situation before the Board of Directors and later on, before the General Shareholders' Meeting.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Information	21-08-2019
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31.3 The public financial information contains a detailed description of transactions with or between related parties. These include transactions between conglomerate companies that the corporation deems material through objective parameters such as their volume, percentage on assets, sales or other indicators. **There is also a reference to any offshore transactions.**

31.3 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

This information is detailed in the Management Report and in the notes on the financial statements.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

Measure No. 32: Information to the markets.

32.1. In the context of the information disclosure policy, the Board of Directors (or the Audit Committee), **adopts the necessary measures to ensure that the financial and capital markets receive all the financial and non-financial information on the corporation** required by the regulations in force, plus any other that it considers relevant for investors and clients.

32.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>As an issuer of securities, the Bank must disclose information to the market under the terms of article 5.2.4.1.5 of Decree 2555 of 2010. In case of particular situations, the Board of Directors or the Audit Committee may issue specific instructions regarding information disclosure to investors and clients of the Bank.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	21-08-2019
Date of Modification	

32.2. The corporation's web site is *user-friendly*. The visitor finds any Corporate Governance information easily.

32.2 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The website of the entity contains a section called Investors, in which you can find information related to the Company Governance, such as, relevant shares breakdown, share value, articles of association, Code Good Governance, Financial Statements, Management Report, Directors, etc.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

32.3. In this vein, the corporation's web site includes, at least, the links indicated in recommendation 32.3.

32.3 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The website of the entity contains a section called Investors, in which you can find information related to the Company Governance, such as, relevant shares breakdown, share value, articles of association, Code Good Governance, Financial Statements, Management Report, Directors, etc.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2016/12/30
Date of Modification	

32.4. In general, **the supporting documents** through which the corporation conveys information to the markets are files **easy to share, download, and print.**

32.4 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

All information that is available on the company's website can be printed, downloaded and shared.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

32.5. If the corporation is sizable and complex, it publishes every year on its web site, **an explanatory report on the organization, methods, and procedures of its Control Architecture**. It seeks to provide accurate and reliable financial and non-financial information, and to protect the company’s assets as well as the safety and effectiveness of its transactions. A risk management report complements the above information.

32.5 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>On the company's website, the general guidelines of internal control of Scotiabank Colpatría S.A. and subsidiaries are published, on them, an explanatory report on the organization, methods and procedures of the Control Architecture implemented is presented. Information on Control Architecture is complemented by a risk management report.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementatio	26-12-2019
Date of Modification	

Measure No. 33: Annual Corporate Governance Report.

33.1. The company prepares an Annual Corporate Governance Report. The Board of Directors is responsible for its contents, after their review and a favorable concept by the Audit Committee. This report accompanies the remaining documents of the closing of the accounting period.

33.1 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p> <p>The Board of Directors, in compliance with the corporate bylaws of the company, prepares a corporate governance report, which is integrated within the management report jointly presented by the CEO and the Board of Directors to the Shareholders' Meeting.</p>
<p>No. Explain:</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	30/12/2014
Date of Modification	

33.2. The company's **Annual Corporate Governance Report is not a mere transcription of the governance norms** included in the bylaws, internal regulations, good-governance codes, or other company documents. It does not intend to describe the corporation's governance model, but rather explain how it actually works and any relevant changes during the accounting period.

33.2 Measure Implementation

YES

NO

N/A

Yes. Explain briefly:

The content of the report is based on changes presented in relation to its control bodies, legal representation and a description of the company's good corporate governance practices and measures.

No. Explain:

NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:

Date of Implementation	2014/12/30
Date of Modification	

33.3. The company’s **Annual Corporate Governance Report describes**, at the end of the accounting period, **how the company enforced, throughout the year, the governance recommendations it adopted as well as the leading resulting changes.**

The structure of the company’s Annual Corporate Governance Report coincides with the scheme provided in recommendation 33.3.

33.3 Measure Implementation YES NO N/A

<p>Yes. Explain briefly:</p>
<p>No. Explain:</p> <p>The content of the report is based on changes presented in relation to its control bodies, legal representation and a description of the company’s good corporate governance practices and measures.</p>
<p>NA. Detail the corporate bylaws that do not allow to adopt the above said recommendation:</p>

Date of Implementation	
Date of Modification	..

