



**CODE OF GOOD CORPORATE GOVERNANCE  
SCOTIABANK COLPATRIA S.A.**

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## INTRODUCTION

The “Code of Good Corporate Government” is a common framework of reference, which defines the personality and character of “Scotiabank Colpatría S.A.”, as well as constitutes its cover letter to the business sector, the community in general and its own members; it contains the criteria for general orientation of the company's business action.

In addition, the Code also welcomes the model of corporate organization adopted by statute to manage ‘Scotoabank Colpatría S.A.’ and its subsidiaries, to manage their business risk and any conflicts of interest that may interfere in the relations between the “stakeholders”.

The Code is not a substitute for decision-making; nor it is a catalog where answers to all problems of possible occurrence can be found. In a figurative sense, this Code is the spirit and compass that guides the acts of ‘Scotoabank Colpatría S.A.’, its subsidiaries, its managers and its shareholders.

The development of this organization model, together with what it is established on the Articles of Association and the Code of Conduct, constitutes the good government of the Bank and its subsidiaries in whatever is pertinent, which will seek to align itself with the best corporate practices of Colombia.



## **FIRST CHAPTER**

### **1.1 VISION**

Scotiabank Colpatria S.A. has as its vision the following postulate:

We will fulfill the obligation to meet our customers' expectations with the skills of an excellent human team.

### **1.2 MISSION**

To be recognized as a clear and simple Bank that provides flexible, easy and fast financial solutions to Colombian workers, and small and medium enterprises SME for their continued growth.

### **1.3 PILLARS**

#### **1.3.1 Freedom with social responsibility**

The Bank is committed to generating socially acceptable behaviors within and outside the country in the development of its activity; this means that in the design and development of its products and services, customers and consumers will be ensured respect for their constitutional guarantees, especially the right to privacy and information. It will include security and continuous monitoring of these.

#### **1.3.2 Trust**

The Bank recognizes that confidence in the Colombian banking needs to be restored urgently. Certainly, lack of credibility does not prove to be the letter of success in the business world, and trust has been explicitly becoming into a corporate value.

#### **1.3.3 Active tolerance**

To achieve successful projects, we must have a positive and tolerant attitude. The tolerance that is required is not the passive one, that is, the predisposition not to interfere in the projects of the others, for simple comfort, but the active one, understood as the predisposition to respect what it is from others, which can certainly have a value, although we do not share them.

#### **1.3.4 Social interest**

The Bank's government pursues respect for the social interest, understood as the criteria or "compass" that guides and dominates the life and the society's functioning. The compass indicates and appreciates the conduct of the society's organs, who are primarily responsible for the entire obligation to carry out the interest of society through their action, the interest of society, as well as the powers of the partners and directors to contribute to the formation of the social will, that finds a limit in that interest. The social interest, moreover, allows the determination of deviations and abuses in its development, and its violation involves the reaction of the authorities and an inevitable decline in the society's life.

## **1.4 CORPORATE VALUES**

What moves us: We believe every customer has the right to be better off.

### **1.4.1 Respect**

We value diverse origins and experiences by treating everyone with dignity

How we interact: Value every voice.

### **1.4.2 Integrity**

We act with integrity in order to deserve the trust of our customers and colleagues.

How we behave: Act with honor.

### **1.4.3 Passion**

We serve our customers with enthusiasm and pride, with the courage to listen, learn, innovate and win.

How do we comply: Give your best.

### **1.4.4 Responsibility**

We are responsible for our work, commitments and actions before our clients and colleagues.

How do we engage: Make it real.

## **1.5 COMPETENCES**

The Bank has established the following fundamental general behavioral competencies, that lead to success in the entity and are the employees' guidance in the ongoing development process.

Competencies, understood as individual skills, talents or knowledge that enables a person to perform his or her work with mastery, and be successful in fulfilling his or her responsibilities and goals' achievement.

Competencies are intended to help employees prepare, for future opportunities.

All employees have the same competencies, however, according to the role they perform, a different responsibility level and decision-making is expected, in line with the position's responsibilities.

### **1.5.1 Customer focus**

It means, anticipating the real and implicit needs of internal and external customers, and being responsible for linking those needs to available or customized services. This ensures, that problems are solved and complaints are immediately answered, and without being defensive.

### **1.5.2 Strategic thinking**

It is to identify and focus on key issues in a strategic way, taking into account a macro context. It involves formulating high-level plans to address these issues.

### **1.5.3 Build strategic relations**

It involves, identifying the internal and external potential of strategic partners, to develop and foster strong business relationships between them.

### **1.5.4 Strategic influence**

It is the ability to build relationships and leverage informal structures, in order to impact and modify events, opinions and plans, with clear strategic direction and goals.

### **1.5.5 Self - awareness and personal development**

It is to have a deep knowledge of who we are, what is important to us, what are the expectations, goals, motivations, strengths and opportunities for improvement of each of us. It is working continuously to increase our knowledge, skills and abilities.

### **1.5.6 Coaching and development of talented employees**

It refers to helping others improve their performance by providing guidance, orientation, and feedback. It involves clarifying the position's duties, responsibilities and expectations, expressing a genuine interest in the development of others.

### **1.5.7 Intercultural leadership**

It is knowledge, sensitivity and respect for differences in culture and thought, thus setting an example of excellent values with a diverse and inclusive environment.

### **1.5.8 Communication**

It is the transformation of information and ideas at the moment, through the means and in the most appropriate way for the audience. It also involves actively listening and keeping all communication channels open.

### **1.5.9 Leadership for the change**

It is the continuous adaptation to new ways of doing things, looking for innovative solutions and helping others cope with change.

### **1.5.10 Results oriented**

It is to identify and focus on key issues in a strategic way, taking into account a macro context. It involves formulating high-level plans to address these issues.

### **1.5.11 Curiosity**

It is our desire to learn about those around us. This includes asking questions and interacting with many points of views, both internal and external, in order to bring new ideas to the Bank, which will enable us to compete worldwide.

## **1.6 CORPORATE PHYLOSOPHY**

The fundamental purpose of the Bank is the preservation of the its shareholders' assets, respect for its influence groups and business development, always considering the social and environmental context, which is why its role is oriented to facilitate the correct and efficient use of resources.

The Bank's social commitment is not only limited to compliance with legal regulations or the exercise of free enterprise, but also extends to the compliance of a corporate social responsibility (CSR) strategy.

The Bank also participates in the widespread concept, that successful companies that last and achieve the best results, are precisely those that have incorporated in their daily work, a set of ethical values and governance criteria, which represents for the Bank a new way of understanding itself and a new corporate culture.

## **1.7 CORPORATE CULTURE**

The Bank's culture not only forges the character of making prudent and morally fair decisions, but also identifies itself with the environment and becomes in an efficient motivating factor that generously brings profitability and differentiates itself against its competitors.

## **1.8 FUNDAMENTALS OF CORPORATE POLICY**

The essential foundations of the Bank's performance are:

- Trust as a corporate value, rather than as a public interest;
- Rationality on long-term decision-making
- Ethically profitable behaviour and
- Social Responsibility Management

## **1.9 CONTROL**

**1.9.1 PURPOSE AND DIRECTIOIN UNIT.** The Bank is part of the Scotiabank Group having set up a control situation with its parent company The Bank of Nova Scotia, which is duly registered in the

Commercial Register of the Bogota Chamber of Commerce.

**1.9.2 BUSINESS STRATEGY.** In order to fulfill our mission, the Administration will design a business strategy, which will be supported in the set of values and principles that shape our actions and behaviors.

## **SECOND CHAPTER**

### **SHAREHOLDERS EQUITABLE TREATMENT**

#### **2.1 Guidelines.**

It is clear to the Bank that investor confidence is obtained through rules that guarantee equitable treatment to all shareholders, including minority shareholders, and therefore the Bank works in the interests of the company as a whole, and its corporate practice is based on the respect of the rights of all the Bank's shareholders.

Thus, in addition to the provisions of the Law and the Bank's Articles of Association, the Bank's shareholders shall have the following rights, provided that they are not in arrears in the payment of the shares they have subscribed, a situation that will prevent them from exercising the rights inherent to them:

1. Group into a plural number representing at least twenty-five percent (25%) of the shares subscribed to call extraordinary meetings
2. To examine by themselves or through accredited delegates in writing, in the offices of the administration operating at the company's main domicile, written information, the financial statements and their appendixes, the books and other documents required by law during the fifteen (15) business days preceding the regular meetings of the Shareholder's Meeting. The above information must contain the proposal of candidates to the Board of Directors when available, for which shareholders have the right to send their proposals to the company. Likewise, material financial information for decisions on subordinated and headquarters must be made available to shareholders.
  - The company will use telematic means such as, the Internet network for the sending of information and documents to shareholders for the exercise of their right of inspection, to the extent that they have the technological and communication means for their use.
3. Freely express their views, obtain information and clarification on consultations during the development of the Shareholders' Meeting.
4. To continue in accordance with the state of technology and the reasonableness of costs,

through systems such as the Internet, the development of the Shareholders' Meeting through videoconference, being able to intervene in the discussions of the Shareholders' Meeting by asking questions and in addition, expressing their vote by telematic way.

5. Contract at their cost and with the professionals of their choice, duly justified and within the term established by the Law to exercise the right of inspection, specialized and appropriate external audits.
6. Right to have matters logically disaggregated on the Shareholder's Meeting agenda.
7. Right to approve segregation or division at the Shareholders' Meeting.
8. Right to have the following matters evacuated in the Shareholders' Meeting only if they have been included in the call: change of legal purpose, waiver of the right of preference, change of address, early dissolution and segregation or division.
9. Right for the company to make available to shareholders, electronic mechanisms to disclose during the meeting, the development of the meeting.
10. Right to have relevant operations carried out with economic ties are to be informed to the Shareholders' Meeting.
11. Right for the company to make known to the public, the rights and obligations of the shareholders.
12. Right for the company to permanently disclose to the public the kinds of shares, and the number of shares issued and in reserve for each kind of share.
13. Right to have an internal regulation of the Shareholders' Meeting functioning.
14. Request information from the Investor Support Office about the Bank's relevant decisions
15. Receive public information from the Bank on a regular, timely and complete basis. This information can be obtained through:

## **2.2 Website**

The public, investors and the market in general will be able to access the Bank's most relevant information through its website ([www.scotiabankcolpatria.com](http://www.scotiabankcolpatria.com)), in particular, the Bank will make efforts to make key information available to investors both in Spanish and English.

### **2.3 Investor Assistance Office. General Secretariat Management**

In its General Secretariat Management, the Bank has a specialized area to look after the inquiries made by the Bank's investors, who can contact it through the following channels:

- In Bogotá D.C., at the headquarters of the Bank's General Secretariat located in Avenue 7ª No. 24-89, Floor 43°
- By phone in the following numbers: (57-1) 606 61 21 – (57-1) 745 63 00 exts. 3315 y 3131
- Via fax in the number (57-1) 561 27 47
- By email: inversionistas@colpatria.com

### **2.4 Investor assistance office duties**

- a. To process before the respective bodies or officials of the company, the requests and complaints or proposals made by the shareholders and investors.
- b. Disseminate to the market through the Company's website, the responses given by the Board of Directors to requests, claims or proposals or requirements of corporate interest, submitted by shareholders grouped for this purpose.
- c. Inform the market through the Company's website of changes and definitions made in the matter of corporate governance at the Bank and are reflected in this Code.

### **2.5 Prohibitions and measures to ensure equitable treatment for all shareholders of SCOTIABANK COLPATRIA S.A.**

#### **2.5.1 Prohibitions. Addressed to legal representatives, directors and other Bank officials:**

- 2.5.1.1 Encourage, promote or suggest to shareholders the granting of powers where the name of the representative for shareholder meetings is not clearly defined.
- 2.5.1.2 Receive proxies from shareholders for the Shareholders' Meetings, where the name of the respective representative is not clearly defined.
- 2.5.1.3 Admit as valid, proxies conferred by shareholders, without full of the requirements established in Article 184 of the Code of Commerce, to participate in shareholders' Meetings.
- 2.5.1.4 Suggest or determine the name of those who will act as shareholders in the Shareholders' Meeting. This is provided that the proxy delivers before the Shareholders' Meeting the proxy used by Scotiabank Colpatria S.A. for such cases.

- 2.5.1.5 Recommend to the shareholders to vote by a certain list.
- 2.5.1.6 Suggest, coordinate, agree with any shareholder or any shareholder's representative, the presentation of proposals in the Shareholders' Meeting be submitted to its consideration, without prejudice to the provisions of the Articles of Association.
- 2.5.1.7 Suggest, coordinate or agree with any shareholder or any shareholder's representative to vote in favor of or against any proposition presented in the same.
- 2.5.1.8 All of the above shall also be suspended, where they are made by person interposed.

**2.5.2 Corrective and remedial measures aimed at the company's directors are:**

- 2.5.3.1 Directors shall return to their proxies the proxies which may contravene what it is prescribed in the Article 184 of the Code of Commerce.
- 2.5.3.2 Directors must inform shareholders that proxies may not be conferred on persons directly or indirectly linked to the administration or company's employees.
- 2.5.3.3 Directors may not receive special proxies prior to the call by which the matters to be dealt with are informed to the respective Shareholders' Meeting.
- 2.5.3.4 Directors must take all necessary measures, to ensure that the employees of the respective company, operate in a neutral way, with the different shareholders.
- 2.5.3.5 Directors shall, prior to the holding of the shareholders' meeting, take all appropriate and sufficient measures to ensure the effective participation of shareholders, in the Shareholders' Meeting and the exercise of their political rights.



## **THIRD CHAPTER**

### **OF DIRECTORS**

#### **3.1 DIRECTORS.**

##### **3.1.1 Bodies of Management and Direction**

The Bank currently has the following main governing bodies regulated in its Articles of Association:

1. The General Shareholders' Assembly
2. The Board of Directors
3. The Board of Directors Committees
4. The CEO
5. Vice presidents appointed by the Board of Directors and,
6. The other bodies that are created by the Shareholders' Assembly or the Board of Directors.

##### **3.1.2 Responsibility**

The Bank's Management works on the development of the principles that guide its Good Governance, preserving the trust of its clients, investors and the general public.

##### **3.1.3 Directors**

The members of the board of directors, the members of the board committees, the chairman and his or her alternates, the vice presidents and legal representatives, as well as employees who, by regulatory provision, shall have the status of bank's directors.

3.1.3.1 In view of the provisions of the first numeral of the article 122 of the Organic Statute of the Financial System, and only for these purposes, it is established that the loans of employees and family members, up to the second degree of consanguinity or affinity or only civilian, which will require approval by the Company's Board of Directors are: Members of the Board of Directors, President, Vice presidents, Managers reporting to Vice presidents and Zone Commercial Managers. In addition, other employees who shall have the status of legal representatives of the company.

##### **3.1.4 Directors duties**

Bank directors should always act in good faith, loyalty and diligence of a good businessman. Their actions will be fulfilled in the interest of the company, and making correct use of social assets. To this end, in the exercise of their authority they must fulfill their duties, as well as refrain from performing any conduct contrary to the law or to the Articles of Association.

Within his or her special duties are the following:

- a. Act and discuss with knowledge of the cause, within his or her autonomy and always pursuing the goal of creating value for shareholders. The acceptance of the position as an administrator means, making a commitment to devote the time and effort required for the diligent

- development of each of the tasks entrusted to him or her.
- b. Know the powers they have to assume, and the responsibilities inherent in their office.
  - c. Value the opportunity to propose to the Shareholders' Assembly the Articles of Association changes in the event of significant variations in the joint value of the share capital or in the composition of the company organization, without undermining the rights and protections of minority shareholders.
  - d. Maintain the documents reserve and information obtained in the exercise of his or her duties, as well as respect at all times, the procedure adopted for the communication abroad of such documents and information.

### **3.1.5 Bank policies with its Managers**

These are Bank policies for its Managers:

- 3.1.5.1 Develop human talent as the organization's added value and promote its employability.
- 3.1.5.2 Link and retain high-potential personnel.
- 3.1.5.3 Measure and reward performance, based on individual and group results
- 3.1.5.4 Increase the working relationship in the fulfillment of the principles of loyalty, good faith, respect and mutual trust.
- 3.1.5.5 Assume that Directors have the highest representation and organizational duties of the Bank, which means that, in carrying out their activities, they are fully identified with the interests of the Bank.
- 3.1.5.6 Adequately compensate for the legal risks of its management, since the legal regime of its responsibilities differs from that of the others Bank's employees.
- 3.1.5.7 Accept that its managerial character also includes the professional and social representation of the Bank at a public level.

### **3.1.6 Incentives for managers**

The Bank maintains and implements a performance hiring scheme (PHS) that encourages the achievement of the goals set therein for each financial year.

### **3.1.7 Statutory Prohibitions**

It is prohibited to members of the Board of Directors, the President, Vice presidents, Legal Representatives and other bank employees, lawyers or leaders of the bank to disclose to shareholders or third parties the Board operations, unless required by the competent authorities.

### **3.1.8 Continuity in the positions**

Where the competent statutory body does not make a timely appointment or election that corresponds to it, the period of the respective official shall be deemed to be extended until the corresponding appointment or election is made, without prejudice to the fact that it may be removed at any time.

## **3.2 BOARD OF DIRECTORS**

**3.2.1 STRUCTURE.** The Board of Directors is one of the essential elements of the Bank's corporate structure.

It is a unique and collegiate body, with balanced integration, which is based on independence and the performance of executive and non-executive duties. With this idea in the composition of the main management unit, the government of the Bank is guaranteed, because it facilitates the debate and the necessary dialectic among all the Directors. The above, regardless of the authority attributed on some of them, ensuring the necessary attention and dedication to the problem linked to the Administration, especially in terms of conflicts of interest.

**3.2.1.1 CHAIRMANSHIP AND VICE - CHAIRMANSHIP.** In accordance with the fifth numeral of the article 73 of the Organic Statute of the Financial System, the Board of Directors shall elect a Chairman and Vice- chairman. The Chairman of the Board of Directors may have differentiated treatment with respect to his or her obligations and remuneration. The above, in consideration of the longer he or she must devote to his or her role in the exercise of his or her specific duties.

**3.2.2 FORMATION OF THE BOARD OF DIRECTORS** As provided for in the Company's Statutes, the Board of Directors shall consist of seven (7) main members and their personal alternates and shall be elected by the General Shareholders' Assembly for periods of two (2) years, with the possibility of being re - elected. The percentage of independent members, taking into account the concept of independence provided for in Law 964 of 2005, shall exceed the minimum percentage of independent directors established in that Law. At the time of appointing the members of the Board of Directors, it will be taken into account that the Independent and Patrimonial Members constitute a numerical majority with respect to the Executive Members, taking into account the definitions provided for in the Code of Best Corporate Practices (Country Code) incorporated into the Basic Legal Circular of the Financial Superintendency of Colombia.

**3.2.3 OBJECTIVES.** The main objectives of the Board of Directors are, on one hand, to devise the strategy that will govern the course of the issuer and on the other hand, to control the execution of the same; becoming into the supervisor of the activities of senior management and the protection of the shareholders' rights.

**3.2.4 DUTIES.** In order to develop its objectives, the Board of Directors has as its duties, in addition to those established in the law or the Articles of Association:

- a. Planning and finance duties, which allow it to establish the Bank's strategic vision.
- b. Risk identification and policy setting duties, associated with risk mitigation.
- c. Duties to set and modify the issuer accounting policies in accordance with the applicable accounting regulations.
- d. To have the information to be submitted to shareholders, in addition to which by legal or regulatory obligation, it must be delivered.
- e. Establish the self-assessment process of the Board of Directors.

- f. Establish the onboarding and training process for new directors.
- g. Establish a skills matrix as a self-management mechanism of the Board of Directors.
- h. Based on the recommendation made by the Audit Committee for this purpose, appoint the person responsible for the company's internal audit duty. The appointment and waiver or removal must be communicated to the market.
- i. To know of the reports regarding the complaints received in the line of anonymous complaints to be submitted by the Audit of the Bank. Such reports shall be previously assessed by the Audit Committee.

The Board of Directors has Internal Operating Regulations, which is an integral part of this document and works as appendix No. 2.

**3.2.5 BOARD OF DIRECTORS REMUNERATION.** The Board of Directors remuneration, shall be conducted in accordance with the guidelines set by the Shareholders' Meeting.

**3.2.6 BOARD OF DIRECTORS ASSESSMENT** The Board of Directors assessment will be conducted through the annual self-assessment mechanism. On the other hand, the Corporate Governance Committee may recommend to the Board to conduct an independent consultancy, taking into account the needs of the Bank's Corporate Governance.

### **3.2.7 CORPORATE GOVERNANCE ANNUAL REPORT**

In accordance with the Company's Articles of Association, the Board of Directors shall submit to the General Shareholders' Assembly an annual report on the Bank's corporate governance during the immediately previous year. The content of the Report will be that provided for in the Articles of Association as well as in Measure 33.3 of the Code of Best Corporate Practices –Country Code- incorporated into the Basic Legal Circular of the Financial Superintendency of Colombia. The Report will include the attendance and formation of the quorum by directors to the meetings of the Board of Directors and the Committee.

### **3.2.8 BANK COMMITTEES.**

The Board of Directors for the full implementation of its work is supported by a number of Committees operating under its management and dependency, which deal with particular issues, without resulting in the delegation of its responsibility or that of its members. Each Committee also provides the Board with adequate information on atypical, unusual or related parties, which review and approval is not reserved to the Board.

The Bank may have other committees or working meetings of the Administration, which include those committees that support the respective vice presidencies or managements on activities, action plans and contingencies related to the entity's strategy, but whose report is not addressed to either the Board of Directors or the President of the entity.

Based on the above, the Governance Structure of the entity, as regards Committees, is as described below:

- a. Board of Directors Support Committees: Audit Committee, Corporate Governance Committee and Integral Risk Committee.
- b. CEO Support Committees: Steering Committee (SC), Assets and Liabilities Committee (ALCO), Investment Committee (IC), Reputational Risk Committee (RRC), Customer Service and Experience Committee (CSEC), Human Resources Committee (HRC), Pricing Committee (PC) and Compliance, Internal Control and Non-Financial Risks Committee.
- c. Other committees or working meetings of the administration.

### **3.2.9 BOARD OF DIRECTORS SUPPORT COMMITTEES**

The formation of the Board of Directors support committees shall be decided by the Board of Directors, taking into account that they must be composed exclusively by Independent Members and Patrimonial Members and chaired by an Independent Member. The above, taking into account the definitions provided for in the Code of Best Corporate Practices - Country Code - incorporated into the Basic Legal Circular of the Financial Superintendency of Colombia.

#### **3.2.9.1 AUDIT COMMITTEE (AC)**

##### **3.2.9.1.1 OBJECTIVE**

Assist the Board of Directors in the policies definition, and in the management and implementation of the internal control procedures and systems design, as well as in the supervision of the operation of such systems.

##### **3.2.9.1.2 RESPONSIBILITY**

The Committee is responsible before the Board of Directors and may not sub delegate any of the powers or attributions delegated to it.

In compliance with its responsibilities, the Committee shall have unrestricted access to the Company's management, books and records, as well as the right to receive the information it needs.

The Committee has the responsibility to comment on the proposals received for the appointment of external auditors by the General Shareholders' Assembly.

The Committee is directly responsible for the supervision of external auditors.

The Board of Directors is responsible for approving the financial statements, in accordance with generally accepted accounting principles, and external auditors are responsible for auditing them. The Committee is responsible for oversight, and in the performance of its responsibilities, it does not provide any specialized or expert guarantees as to the Bank's financial statements.

### **3.2.9.1.3 INTEGRATION**

The Committee shall consist of at least three (3) members of the Board of Directors of the Bank, most of them independent, and shall be appointed by the Board of Directors in accordance with their experience and knowledge, in matters related to the duties assigned to the Committee.

### **3.2.9.1.4 AUTHORITY**

The Committee has the authority to seek legal, accounting consultancy and assistance, or any other kind of advice that it deems necessary to fully comply its responsibilities and duties to other board members or individuals independent of the Bank's Administration.

The Bank will provide the necessary resources for the payment of these consultancies or any other consultant that the Committee requires, in addition to providing the funds for any administrative expenses that the independent advisor/consultant needs to carry out its duties.

External advisors must in any case keep confidentiality about the issues consulted, and the information they have access to at the time of their contract.

Bank Directors who are not on the Board of Directors, the Internal Auditor, the Fiscal Auditor and any Bank employee deemed appropriate by the Committee shall attend meetings upon request. In these meetings they will have a right to speak but not a vote.

### **3.2.9.1.5 DUTIES:**

- a. To submit to the Board of Directors for their approval, the recommendations of the general policies and strategies related to the Internal Control System (hereinafter ICS).
- b. Approve the necessary structure, procedures and methodologies for the the ICS operation.
- c. Indicate the responsibilities, attributions and limits assigned to the different positions and areas with respect to the ICS administration, including risk management.
- d. Evaluate the structure of the Bank's internal control in such a way, that it can be established whether the designed procedures reasonably protect the assets of the entity, as well as those of third parties it manages or guards, and whether there are controls to verify that transactions are being adequately authorized and registered.
- e. Ensure that the Directors provide the information required by the supervisory bodies for the performance of their duties.
- f. Ensure that the preparation, presentation and disclosure of financial information is in accordance with the provisions of the applicable rules, verifying that the necessary controls exist.
- g. Study the financial statements and prepare the corresponding report to be submitted for consideration by Board of Directors, not only with its notes, but also the expert opinions,

observations of the control entities, the assessments results carried out by the competent committees and other documents related to them.

- h. Design, implement and evaluate programs and controls to prevent, detect and respond adequately to the risks of fraud and misconduct, understanding for fraud, as an intentional act committed to obtain an illicit gain, and for misconduct the violation of laws, regulations or internal policies.
- i. Supervise the duties and activities of the internal audit in order to determine its independence and objectivity in relation to the activities it audits, determine the existence of limitations that impede its proper performance and verify whether the scope of its work meets the control needs of the entity.
- j. Follow up on risk exposure levels, their implications for the entity and the measures taken to monitor or mitigate them, at all committee meetings, and submit to the Board of Directors a report on the most important aspects of the management carried out.
- k. Evaluate internal control reports made by internal auditors or other supervisory bodies, verifying that the administration has taken care of its suggestions and recommendations, on the most relevant aspects.
- l. Follow up on compliance with the instructions given by the Board of Directors in relation to the ICS.
- m. Request the reports that it considers appropriate for the proper development of its duties, for the relevant decision-making.
- n. Analyze the information systems operation, their reliability and integrity for decision-making.
- o. Introduce to the General Shareholders' Assembly through the Board of Directors, the candidates to take the position of Fiscal Auditor, without prejudice to the shareholders right to present other candidates at the respective meeting.
- p. In this regard, the role of the Committee will be to collect and analyze the information provided by each of the candidates and to submit to the highest social body the results of the study carried out.
- q. Prepare the report to be submitted by the Board of Directors to the highest social body with respect to the operation of the ICS, which shall include, among other respects:
  - i) The general policies established for the implementation of the bank's ICS.
  - ii) The process used for reviewing the effectiveness of the ICS, with explicit mention of aspects related to risk management.
  - iii) The most relevant activities developed by the committee.
  - iv) The material deficiencies identified, the recommendations made and the measures taken, including, among other topics, those that might affect the financial statements and the management report.
  - v) The observations made by the supervisory bodies and the sanctions imposed, when appropriate.
  - vi) Evaluation of the work carried out by the internal audit, including, among other aspects, the scope of the work carried out, the independence of the duty and the resources allocated to it.

- r. Approve the annual work plan of the Bank's internal audit.
- s. To issue a concept, through a written report to the Board of Directors, with respect to the possible relevant operations that are planned with economic ties, for which the Committee must verify that such operations do not violate the treatment equality between shareholders. This concept will not be required when the operations intended to be advanced are carried out under market conditions, or in the case of operations of the Bank's ordinary turn, as long as they are not material.

#### **3.2.9.1.6 MEETINGS**

The Committee shall meet on a regular basis, at least every three (3) months per year; or in an extraordinary manner, where the inherent needs of the business or circumstances of the economic, political or social environment so require it.

Remote or virtual sessions may be made in accordance with Colombian law.

You may participate by telephone or using similar communications equipment, provided that all members participating in the meeting can listen to each other in succession and simultaneously.

Meetings shall be held, where at least two (2) of the members of the Committee may attend, one of them shall be the President.

The meeting place will be the Colpatria Tower in Bogotá.

The sessions scheduling shall be on an annual basis and their delivery to members shall serve the purpose of the Call.

#### **3.2.9.1.7 TECHNICAL SECRETARIAT**

The Technical Secretariat of the Audit Committee shall be in charge of the General Secretariat of the Bank.

#### **3.2.9.2 CORPORATE GOVERNANCE COMMITTEE (CGC)**

##### **3.2.9.2.1 OBJECTIVE**

The mandate of the Committee is to assist the Board of Directors in its proposals and supervision duties of the Corporate Governance measures adopted by the Bank.

##### **3.2.9.2.2 COMMITTEE MEMBERS**

The Committee shall consist of three (3) members (main or alternate) of the Bank's Board of



Directors and shall be appointed by the same body in accordance with their experience and knowledge, in matters relating to the duties assigned to the Committee.

#### **3.2.9.2.3 QUORUM**

Meetings shall be held when at least two (2) members of the Committee may participate in the committee. You may participate by telephone or using similar communications equipment, provided that all members participating in the meeting can listen to each other in succession and simultaneously.

#### **3.2.9.2.4 PERIODICITY**

The Committee shall meet when called by one of its Members, its Technical Secretariat or the Administration and at least twice (2) a year.

Remote or virtual sessions may be made in accordance with Colombian law.

The usual place for meetings will be the Colpatria Tower in the city of Bogotá, D.C., without prejudice to the fact that among the member, another place may be exceptionally designated.

The sessions will be scheduled electronically through the General Secretariat Management at least three (3) business days in advance.

#### **3.2.9.2.5 DUTIES AND RESPONSIBILITIES**

- a. know the reports submitted by the Technical Secretariat of the Committee, regarding the information provision to shareholders and the market in general, ensuring that they have full, truthful and timely access to the company's information to be disclosed.
- b. To supervise that requirements and procedures for the election of the members of the company's Board of Directors and other subordinate companies (competences, disabilities, limitations, among others) are met. For the exercise of this task, prior to the appointment of new members of the Board of Directors, the Technical Secretariat of the Committee shall submit to the Committee a report on the candidate's profiles, the process that has been completed and the verification carried out regarding the absence of any inabilities for the exercise of the position.
- c. To set the onboarding process guidelines for new board members and promote their training and updating on issues related to the Board of Directors competences. For

this purpose, it will propose a training agenda to the Technical Secretariat of the Committee, as well as suggestions of issues to be addressed at the meeting sessions developed under the thematic meetings modality.

- d. To review that the company's corporate governance practices, corporate and administrative conduct and behavior, conform to the provisions of the Company's Code of Good Governance and other internal and regulatory norms. For this purpose, it shall evaluate the periodic reports submitted to it, by the Technical Secretariat of the Committee in this regard.
- e. To study the proposals for the Articles of Association and the Code of Good Governance reform that relate to the company's good governance and submit the amendments, updates and derogations of the provisions related to the company's Government.
- f. Regularly monitoring on the negotiations carried out by members of the Board of Directors and other Directors, with shares issued by the company or by other issuing companies, when they are part of the same Conglomerate and, in general, their actions in the field of the stock market. Such duty, will be exercised through the periodic report that will be submitted by the Compliance Management CM, Treasury and Wealth Management of Compliance vice presidency.
- g. To serve within the following ten (10) calendar days to its submission, the shareholders and investors claims who believe the company does not apply the Corporate Governance policies adopted. For this purpose, the Technical Secretariat of the Committee shall inform the Committee in due course, together with the proposed response for its consideration. The Administration shall respond to such claims, on the basis of the guidelines given by the Committee
- h. Analyze the results of the Board's self -assessment and the skills matrix, and if it considers relevant, based on that assessment, to make proposals to the Board and the Administration to strengthen the Board of Directors and the Bank's Corporate Government.
- i. To know of the actions, which were made known to them, related to behaviors of the members of the Company's Board of Directors, which may be contrary to the provisions of the Articles of Association, the Board of Directors rules and other internal regulations, of which it will be informed, when in the Opinion of the Committee shall be necessary.

### **3.2.9.2.6 PRESIDENCY**

The head of the Committee shall be elected among its Members.

### **3.2.9.2.7 TECHNICAL SECRETARIAT**

The Technical Secretariat of the Corporate Governance Committee shall be in charge of the General Secretariat Management, which will be in charge of organizing the respective meetings, shall draw up the minutes and auxiliary books together with the documents that support or are brought to the meeting. In his or her absence the committee may appoint another person.

### **3.2.9.3 COMPREHENSIVE RISK COMMITTEE (RC)**

#### **3.2.9.3.1 MANDATE**

This committee acts as an advisory body and advisor to the Board and the Bank's senior management, (i) for the realization and fulfillment of the duties and responsibilities that arise as established by the applicable law, the requirements of the financial regulator (the Financial Superintendency of Colombia), in terms of risk management and those issued by any other competent authority, such as the Central Bank (Banco de la Republica), the Superintendence of Industry and Commerce, among others, or any other self-regulating organization; (ii) to assist the Board in the compliance of its responsibilities related to: (A) review of the Bank's risk appetite and the identification and monitoring of the impact risks to the entity; (b) policies review and supervision of the entity's risk duty and management.

#### **3.2.9.3.2 DUTIES**

The committee shall monitor the operation and status of the different risk management systems implemented at the Bank.

Among its duties are:

- Review and recommend at least once a year for Board approval, the Bank's Risk Appetite Framework, including changes and proposals it considers necessary, to ensure its alignment with the Bank's strategic plan.
- Review the risk management policies suggested by the Bank's administration for the identification, acceptance, monitoring, management, and reporting of the significant risks to which the entity is exposed. As part of such a review, the committee must agree on the manner in which material exceptions to such policies are administered and cured.
- Review and recommend to the Board about the financial risks management systems (credit, investment, market and liquidity) and non-financial risks that the bank must adopt in its operation.
- Review, monitor, and recommend to the Board, the approval of risk policies, procedures, and

standards as appropriate.

- Recommend to the Board any other matters that the competent authorities and other regulatory bodies require or suggest.

#### **3.2.9.3.3 MEMBERSHIP**

The Committee shall elect its Head within its members before meeting.

The Committee shall be composed by three (3) members (main or alternate) of the Bank's Board, and shall be appointed by the Board of the Bank in accordance with its experience and knowledge in matters relating to the duties assigned to the Committee.

#### **3.2.9.3.4 MEETINGS**

The Comprehensive Risk Committee shall meet monthly on a regular basis and extraordinary meetings shall be scheduled when the situation to be assessed requires it. The quorum shall be the majority of its members with the right to vote.

#### **3.2.9.3.5 SECRETARIAT RECORDS**

The Secretariat committee is in charge of Business Banking Risk Management and will be responsible for: (i) calling committee meetings; and (ii) recording and maintaining minutes of committee meetings and submitting them to the committee and the board, if required by the latter.

#### **3.2.9.3.6 REPORT**

After each Risk Committee meeting, it is necessary for this Committee to report to the Board the issues addressed at each meeting. Likewise, the Committee should also inform the Auditor and/or Compliance Committee, as required, of relevant issues. For the purposes of this report, the Credit and Risk Senior Vice president, or the person designated by the members of the Committee, may act as spokesperson of the Committee.

#### **3.2.9.3.7 AMENDMENTS TO THE COMMITTEE'S MANDATE**

Important changes to this mandate should be approved by the Board.

### **3.3 PRESIDENT OF THE ENTITY**

In accordance with established in the Articles of Association, the Company shall have a CEO with three (3) alternates, who in its order shall replace them in the event of temporary or absolute

failure. All employees of the Company, except those appointed by the General Shareholders' Assembly, shall be under the subordination and dependency of the CEO of the Company and, therefore, subject to its orders and controls.

The company's President duties are described in the Articles of Association of the company.

### **3.4 CEO SUPPORT COMMITTEES**

The CEO of the Bank will have Support Committees for the effective exercise of his or her legal and statutory duties.

#### **3.4.1 STEERING COMMITTEE (SC)**

It is to meet once a week and shall consist of the President, all Vice presidents and the Compliance Officer of the entity. The Secretary of the Committee shall be the Legal Vice-President – General Secretary. Within its duties is the decision-making related to the ordinary turn of business.

#### **3.4.2 ASSETS AND LIABILITIES COMMITTEE (ALCO)**

##### **3.4.2.1 OBJECTIVE**

Provide strategic direction to the assets and liabilities management, funding structure and efficient management of the Bank's liquidity.

##### **3.4.2.2 DUTIES**

- a. Analyze and approve the assets and liabilities strategies, funding and liquidity under the risk appetite of the Bank, which considers the business goals, balance sheet composition, exposure to risk and market and regulatory conditions.
- b. Track the impact of asset and liability management strategies on the Bank's profitability goals.
- c. Review and approve the methodology and documentation of the price transfer scheme (PTS) and analyze and make decisions regarding the structure of FTP rates to be used for the Bank's prices determination.
- d. Analyze and approve the balance sheet coverage strategies and investment portfolio strategies.
- e. Evaluate and track the market risk exposure, liquidity and balance sheet and management strategies, ensuring compliance with the Bank's limits, policies and risk appetite and taking appropriate actions against excesses.
- f. Analyze and approve changes in market risk, liquidity and interest rate limits, policies and manuals, in line with business changes, best practices, or regulatory changes.

### 3.4.2.3 MEMBERSHIP

#### Committee members with right to vote:

Main	Alternate
CEO of the Bank	CFO
Risk Senior Vice president	Trade Floor Risk Manager
CFO	Planing & Financial Control Manager
Treasury & AML Manager	Treasury- AML Director

#### Committee members without right to vote:

Main	Alternate
Wholesale Banking Vice president	Head of Corporate Banking
PN & SME Vice president	Business Office / Strategy Manager

### 3.4.2.4 CEO

The ALCO Committee shall be chaired by the CEO of the Bank.

### 3.4.2.5 MEETINGS

The ALCO Committee shall meet at least once a month and in an extraordinary way when required. The meetings of the Committee shall be in person, in the event that no decision-making quorum is available, the required approvals may be made by e-mail.

### 3.4.2.6 QUORUM

In order for decisions taken in the Committee to be valid, at least two (2) members with the right to vote must be present.

### 3.4.2.7 APPROVALS, LIMITS AND AUTHORIZATIONS

Decisions taken in the ALCO Committee, must have at least two (2) members voting in favor from members with right to vote. Refer to the duties section of the ALCO Committee for the items under the Committee supervision.

### 3.4.2.8 TECHNICAL SECRETARIAT RECORDS

The Technical Secretariat of the ALCO Committee shall be headed by the Trade Floor Risk Management Manager and shall have as an alternate to the Market Risk Manager. It shall be the responsibility of the Technical Secretariat of the ALCO Committee to prepare the minutes of each meeting, including the issues discussed on each session of the Committee, as well as to indicate the members with right to vote who approved any decision taken.

#### **3.4.2.9 REPORT**

The ALCO Committee reports to the CEO of the Bank, this report is provided with his or her participation to the committee.

#### **3.4.2.10 MANDATE'S AMENDMENTS**

All amendments to this mandate shall be approved by the Board of Directors.

### **3.4.3 INVESTMENTS COMMITTEE (RAC)**

#### **3.4.3.1 OBJECTIVE**

Establish the basic guidelines for the business initiatives management, before the RAC Committee and obtain investment approval for its implementation, as well as support the fulfillment of the economic benefits agreed in case of business.

#### **3.4.3.2 DUTIES**

- a. Deliberate and decide on any business initiative that requires an investment, greater than or equal to 150 minimum legal wages in force (MLWF) for its execution, after approval of the business case by the Finance area. The Planning and Budget Management will annually define the follow-up investments to be submitted to the RAC Committee.
- b. Compliance must be given to the methodology, process and policy that governs the Local and Global RAC Committee.
- c. Any investment request must have a business case and an introduction for submission, and must be supported at the RAC Pre-Committee using the established formats.
- d. A maximum period of (3) three days after the RAC Pre-Committee shall be given for requesting users to make the adjustments that have been requested.
- e. All investments that must be brought to the Global RAC for final approval due to the investment level, must be presented in English and one month in advance to the local RAC.

- f. The Planning and Budget Management will define annually the follow-up investments to be submitted to the RAC Committee, including financial analysis and project improvement opportunities with the variables involved in each business case.
- g. The Project Management Office (PMO) will only record for the RAC Committee agenda, the investments notified by the Planning and Budget Management (business case and power point presentation).
- h. If within (3) months after the investment in the RAC Committee has been approved, the PMO does not evidence management (\*) by the requesting user, the approved resources are released and allocated to other requests; excluding Real Estate investments.
- i. Any initiative should include, the cost estimate of internal resources required for the execution of the project and its operation, in the business case; and request approval from the Human Resources Committee, when they are permanently required.

(\*) It refers to the allocation of resources to the project, investments and the activities associated with the start of a project/improvement

#### **3.4.3.3 MEMBERSHIP**

The RAC Committee shall be chaired by the CEO of the Bank. The Technical Secretariat of the RAC Committee shall be in charge of the CFO.

##### **Committee members with right to vote:**

- The CEO of the Bank
- CFO
- IT Vice president
- Operations Vice president

##### **Committee members without right to vote:**

- N / A

##### **Alternate members**

- Credit & Risk Senior Vice president
- Planning Manager
- IT Operation Manager
- Facilities Manager

#### **3.4.3.4 MEETINGS**

The RAC Committee will meet monthly. The Committee meetings shall be in person, in the event



there is no decision-making quorum, the required approvals may be made by e-mail.

#### **3.4.3.5 QUORUM**

In order for decisions taken in the Committee to be valid, at least three (3) members with the right to vote must be present, except for those who act as sponsor of each project.

#### **3.4.3.6 APPROVALS, LIMITS AND AUTHORIZATIONS**

Approve, postpone, or reject any business initiative that requires an investment greater than or equal to 150 minimum legal wages in force (MLWF) for execution, subject to approval of the business case by the Finance area. The Planning and Budget Management will annually define the follow-up investments to be submitted to the RAC Committee.

#### **3.4.3.7 SECRETARIAT RECORDS**

Responsibility of the Technical Secretariat of the RAC Committee:

- Prepare an agenda for each meeting;
- Prepare the minutes of each meeting by recording the covered topics in each Committee, as well as indicate the members with right to vote who approved the decisions.

#### **3.4.3.8 REPORT**

The RAC Committee reports to the CEO of the Bank, who is as well a committee member.

#### **3.4.3.9 MANDATE'S AMENDMENTS**

Amendments to this mandate should be submitted to RAC Committee members for approval, who will decide, according to the amendment magnitude, whether or not it is necessary to bring it to the Board of Directors.

### **3.4.4 REPUTATIONAL RISK COMMITTEE (RRC)**

#### **3.4.4.1 OBJECTIVE**

The mandate of the Reputational Risk Committee (RRC) is to promote coherent conduct with ethical standards and to protect the reputation of the Bank and its subsidiaries.

The Bank's policy is to undertake only commercial activities that are legal and comply with applicable regulations.

The RRC mandate, transcends the legal and regulatory compliance and extends to the consideration of how stakeholders, which includes, without limitation to shareholders, creditors, employees, customers, strategic partners or alliances, service vendors, suppliers in general; regulatory and self-regulatory bodies, governmental and non-governmental organizations, the media and the public who can see these activities, and in this way can affect the Bank's reputation, as well as its subsidiaries.

#### **3.4.4.2 DUTIES**

- a. Review the Reputation Risk Policy periodically, submit its comments to Senior Management and present it to the Board of Directors.
- b. Prepare annual reports to the Board of Directors on:
  - The activities of the Reputation Risk Committee in the previous year, as mandated;
  - Any important activity that has been identified during the course of its regular activities, through guided self-assessment exercises on operational risk; and
  - Recommendations
- c. Recommend additional or specific reputational risk policies and procedures, as appropriate, to the Board of Directors.
- d. Oversee the implementation of reputational risk policies and procedures as approved by the Board of Directors.
- e. Establish operational policies and procedures within the powers delegated by the Board of Directors.
- f. Approve additions and exceptions to policies and procedures according to its mandate.
- g. On the recommendation of the various divisions of the activity sectors, risk committees or subcommittees, the RRC shall examine the commercial activities, initiatives, products, operations or processes that the promoter considers may contain a certain degree of reputational risk; and;
- h. Make recommendation in favor or against of continuing with certain conditions, based on the risk assessment of the involved reputation.

#### **3.4.4.3 MEMBERSHIP**

The reputational risk committee will be chaired by the Bank's Vice President - General Secretary. The Technical Secretariat of the RRC Committee shall be in charge of the General Secretariat Management. In his or her absence, the Head of the Committee shall appoint another person.

**Committee members with right to vote:**

- The CEO of the Bank.
- Credit & Risk Senior Vice president
- Legal Vice president – General Secretary
- Mercantil Colpatría Representative
- CFO
- AML / ATF & Compliance Vice president

**Permanent guests:** The Audit and Internal Control Vice presidents shall be permanently invited to the Committee sessions. The Vice president, who has relation with the subject under study, will also be invited.

The members of the RRC are expected to participate; however, they may send their alternates approved by the Head of the Committee. Other persons with the President's invitation may attend, such as the Subsidiaries Managers, when dealing with specific issues about them.

**3.4.4.4 MEETINGS**

The RRC Committee shall meet at least twice (2) a year by request of the Committee members. Members of the Committee may participate in any meeting by conference call or by using a similar communication device, as long as all members participating in the meeting can listen to each other.

**3.4.4.5 QUORUM**

The majority of the members of the Reputational Risk Committee shall constitute quorum for deliberation and must include one representative from each of the following areas: Legal, Compliance, Finance and Risk.

Members of the Committee may participate in any meeting by conference call or by using a similar communication device, as long as all members participating in the meeting can listen to each other.

**3.4.4.4 APPROVALS, LIMITS AND AUTHORIZATIONS**

Decisions taken in the RRC Committee must have at least two (2) votes in favor from members with right to vote. Refer to the duties section of the RRC Committee for the issues under the

committee overseen.

If the RRC recommends not to proceed with a commercial activity, initiative, product, services, operation or process, or recommends that it be conducted subject to certain conditions, and the reference body does not agree and wishes to proceed, it is mandatory to refer the matter to the Risk Policy Committee.

#### **3.4.4.5 SECRETARIAT RECORDS**

The Technical Secretariat of the Reputational Risk Committee will be in charge of the General Secretariat Management, which will make the report and formalize the details for the meetings, will draw up the minutes and follow-up documents. In his or her absence, the President will appoint another person. The meetings minutes shall contain a decisions taken record, the actions to be taken, actions that will need a follow up and other points to be established by the President.

#### **3.4.4.6 REPORT**

The RRC Committee reports to the CEO of the Bank, who is at the same time a member of the Committee. In addition, the Head of the Committee shall submit a periodic report to the Board of Directors according to the Committee sessions carried out.

#### **3.4.4.7 MANDATE'S AMENDMENT**

All amendments or modifications to the Committee's mandate shall be approved by the Board of Directors.

### **3.4.5 CUSTOMER SERVICE AND EXPERIENCE COMMITTEE (CSEC)**

#### **3.4.5.1 OBJECTIVE**

In its role as internal government agents for the review, discussion and definition of continuous improvement of the customer experience through the review, prioritization and addressing of initiatives, this committee will have as an objective, to correct problems associated with the dissatisfaction of the Bank's customers and users. The above will be based on monitoring the key management indicators that make up the Consumer Care System (CCS) dashboards.

#### **3.4.5.2 DUTIES**

1. Approve the necessary structure, procedures and methodologies for the CCS operation.
2. Assign responsibilities for the implementation of prioritized improvement plans in the Committee.
3. Follow up on the CCS dashboard and present to the President and the Board of Directors, according to the case, the most important events based on customer experience.

4. Follow up on compliance with the instructions given by the President and the Board of Directors regarding the CCS and the action plans for service improvement.
5. To study and propose to the President and the Board of Directors modifications to the service scheme, as a result of the changes in the rules that apply to it.
6. Suggest initiatives that allow to minimize events that may affect the service.
7. Evaluate the best practices against the market.

#### **3.4.5.3 MEMBERSHIP**

##### **Members with right to vote:**

- CEO of the bank – Head of the Committee
- Credit and Risk Senior Vice president
- Operations and Shared Services Vice president
- Wholesale Banking Vice president
- Retail & SME Vice president
- SAM Banking Vice president
- Legal Vice president – General Secretary
- CFO
- Human Resources Vice president
- IT Vice president
- Digital Banking Vice president
- Customer Relationship Manager
- Customer Experience and Knowledge Manager

**Members without right to vote:** N / A

#### **3.4.5.4 MEETINGS**

The Customer Service and Experience Committee will meet monthly. Its extraordinary sessions may be called at any time by the Head of the Committee or by two (2) Committee members. At moments where the meeting cannot be held, the respective materials and presentations will be distributed to the Committee members. Comments on these will be funneled in writing through the Customer Service Unit Management and thus will be understood as terminated.

#### **3.4.5.5 QUORUM**

- Meetings shall be held when four or more members of the Committee attend.

#### **3.4.5.6 APPROVALS, LIMITS AND AUTHORIZATIONS**

Refer to Section 3.4.5.2, Customer Service and Experience Committee duties for issues overseen

by the Committee.

#### **3.4.5.7 SECRETARIAT RECORDS**

The CSEC Technical Secretariat will be in charge of the Customer Service Unit Management. It will be the responsibility of the Technical Secretariat to:

- Prepare an agenda for each meeting and in general the material to be presented at the sessions;
- Previous information distribution.
- Prepare each meeting minutes, including the topics covered of each committee, as well as indicate the members with right to vote who approved any decision taken.

#### **3.4.5.8 REPORT**

The Customer Service and Experience Committee reports to the CEO of the Bank who is at the same time a member of the Committee.

#### **3.4.5.9 MANDATE'S AMENDMENTS**

Amendments to this mandate shall be approved by the Board of Directors.

### **3.4.6 HUMAN RESOURCES COMMITTEE (HRC)**

#### **3.4.6.1 OBJECTIVE**

The Human Resources Committee is a Support Committee of the Presidency of the Bank, responsible for presenting its processes related to human talent.

#### **3.4.6.2 DUTIES**

Submit to the Presidency all issues related to Human Resources and the creation of new positions when appropriate.

#### **3.4.6.3 MEETINGS**

The Human Resources Committee shall meet bimonthly (6 times a year), without prejudice to the fact that it may be called in extraordinary way by the Human Resources Committee Secretariat. They may also make decisions by written vote issued by committee members, prior Human Resources Shared Services Management request.

#### **3.4.6.4 QUORUM**

For decisions taken in the Committee to be valid, at least two (2) members with right to vote must be present.

#### **3.4.6.5 APPROVALS, LIMITS AND AUTHORIZATIONS**

The Human Resources Committee is responsible for assisting the Presidency in defining compensation and benefits for Bank employees and its subsidiaries. The authorizations made are based on the median market according to the entity's budget.

#### **3.4.6.6 SECRETARIAT RECORDS**

The Technical Secretariat of the Human Resources Committee will be responsible for:

- Prepare an agenda for each meeting;
- Prepare the minutes of each meeting, recording what was discussed in each Committee, as well as indicating the members with right to vote who ratified any decision taken.

The Technical Secretariat of the Committee will be in charge of the Shared Services Management of Human Resources Vice presidency.

#### **3.4.6.7 REPORT**

The Human Resources Committee reports to the CEO of the Bank, who is at the same time a member of the committee, to deal with cases regarding new positions and recategorizations.

#### **3.4.6.8 MANDATE'S AMENDMENTS**

All amendments or modifications to the Committee's mandate shall be approved by the Board of Directors.

#### **3.4.6.9 MATTERS IN CHARGE OF THE COMMITTEE**

##### **3.4.6.9.1 SALARY LEVELING**

The Committee will address issues related to salary levels in the following cases:

- Salary adjustment Vs internal equality.
- Condition: The salary is below the position's category
- Business case (Previous presentation with Planning).
- Each specific employee's case must be studied.

##### **3.4.6.9.2 RECATEGORIZATIONS**

The Committee will deal with issues related to position's assessment in the following cases:

- Position's assessment under "HAY" methodology.
- Change in the responsibility level or expertise.
- General structure change.
- Business case (Previous presentation with Planning).
- Vice presidents and first line positions assessed and approved by the Headquarters.

#### **3.4.6.9.3 NEW POSITIONS**

The Human Resources Committee will deal with issues related to new positions in the following cases:

- Structure growth (Capacity and organizational re-design)
- New structures.
- Business (Previous presentation with Planning)

#### **3.4.6.10 MEMBERSHIP**

**3.4.6.10.1** Membership for topics related to Salary Leveling:

**Committee members with right to speak and right to vote**

- Human Resources Vice president
- Human Resources Shared Services Manager
- Operations Manager (Productivity)

**Committee members with right to speak, without right to vote**

- Compensation Professional

**3.4.6.10.2** Membership for issues related to recategorizations and new positions is:

**Committee members with right to speak and right to vote**

- CEO of the bank
- Human Resources Vice president
- CFO
- Operations and Shared Services Vice president



### **Committee members with right to speak, without right to vote**

- Human Resources Shared Services Manager
- Operations Manager (Productivity)
- Planning Management
- Compensation Professional
- Vice president of the requesting area

### **3.4.7 PRICING COMMITTEE (PC)**

#### **3.4.7.1 OBJECTIVE**

Establish a comprehensive price government for all Bank products.

#### **3.4.7.2 DUTIES**

Approve all prices change initiatives and rates of all Bank's products and services.

#### **3.4.7.3 MEMBERSHIP**

The President of the Bank will preside the Pricing Committee

#### **Deciding Members:**

For lending rates and fees:

- President of the Bank (CEO)
- Financial Vicepresident (CFO)
- Risk and Credit Vicepresident (CRO)

Deposit Rates and ycosts of funds:

- President of the Bank (CEO)
- Financial Vicepresident (CFO)
- Treasury Manager

#### **Members having a voice (not vote):**

- Vicepresident Wholesale Banking
- Vicepresident Retail

#### **3.4.7.4 MEETINGS**

The Pricing Committee will meet biweekly on Mondays, except when it is a public holiday, in which case, the meeting will be held on the Tuesday immediately following. The Committee meetings must be in person, in case there is no decision making quorum, the required approvals may be made by email.

#### **3.4.7.5 QUORUM**

For the decisions taken in the Committee to be valid, at least three (3) members with right to vote must be present, and one of them must be the CEO or the CFO.

#### **3.4.7.6 APPROVALS, LIMITS AND AUTHORIZATIONS**

Decisions made in the Pricing Committee must have at least three (3) votes in favor from members with right to vote, and one of them must be the CEO or CFO. Refer to the duties section of Pricing Committee for the issues overseen by the Committee.

#### **3.4.7.7 SECRETARIAT RECORDS**

The Technical Secretariat of the Pricing Committee will be in charge of the Planning and Budget Management.

It will be the responsibility of the Technical Secretariat of the Pricing Committee

- Prepare an agenda for each meeting;
- Prepare the minutes of each meeting, including what was discussed in each Committee, as well as indicating the members with the right to vote who approved any decision taken.

#### **3.4.7.8 REPORT**

The Pricing Committee reports to the CEO of the Bank, who is provided with his or her participation in the corresponding Committee.

#### **3.4.7.9 MANDATE'S AMENDMENTS**

All amendments to this mandate must be approved by the Board of Directors.

### **3.4.8 COMPLIANCE, INTERNAL CONTROL AND NON FINANCIAL RISK COMMITTEE**

#### **3.4.8.1 OBJECTIVE**

That the Bank and all its subsidiaries comply with all applicable laws in the conduct of all their businesses, and with the adoption of corporate ethical norms as well as policies, and measures to

guarantee the internal operations transparency, and increase controls for the prevention of activities that violate the organization's Articles of Association, and the country regulatory compliance; likewise establish authority and responsibility for the Non-Financial Risk duty, adding value and contributing to the fulfillment of the strategic objectives of the Bank and its Subsidiaries. Additionally, the objective of this Mandate is to establish:

- Support senior management (CEO and different vice presidencies or Managements) in monitoring the improvement actions necessary to strengthen our control and reduction of non-financial risks environment.

### **SCOPE**

- The Compliance, Internal Control and Non-Financial Risks Committee will recommend to the CEO of the bank, new policies, compliance procedures and modifications to them, applicable to the business and operations of the Bank and any of its Subsidiaries.

Subcommittees may be formed, at the discretion of the Head of the Committee, to evaluate certain issues.

### **MANDATE**

The Mandate of the Compliance, Internal Control and Non-Financial Risks Committee will be assessed and approved by the Members of the Board of Directors of (Banco Colpatría) Colpatría Bank and its subsidiaries.

The head of the Committee will perform the mandate review every two years and will send the adjusted document to the Board of Directors of Scotiabank Colpatría S.A and its subsidiaries.

### **DUTIES AND RESPONSIBILITIES**

- The Compliance, Internal Control and Non-Financial Risks Committee may recommend to the Board of Directors new compliance policies and modifications to them applicable to the businesses and operations of the Bank and any of its Subsidiaries.
- Receive and validate the *Consent Agenda* documents and relevant facts to request clarification or explanations on issues considered relevant or important.
- Know the general control environment of the non-financial risk areas of the bank and its affiliates or subsidiaries to have an overview of indicators that demonstrate the management, alerts or situations that should be known to request and define along with with the different vice presidencies and / or managements, actions or plans to follow.
- The committee will have coverage on all areas that manage non-financial risks and at least on the following areas: AML, Compliance, Fraud, Regulatory & Operational Governance, Internal Control and Enterprise Risk.
- Invite, when considered necessary, different managements or vice presidencies to let the

members of the committee know, different situations that are exposing or may expose Scotiabank Colpatría and its subsidiaries to any type of non-financial risk.

- Request review and comments on various issues that are known by the members of the committee and they consider generate exposure and risks at the level of non- financial risk policies.
- Follow up on the action plans on commitments of each committee carried out.

Subcommittees may be formed, at the discretion of the Head of the Committee, to evaluate certain issues (eg DLP etc).

The Compliance, Internal Control and Non-Financial Risks Committee will have powers to:

- Analyze the reports reported by the shared Non-Financial Risks control areas through the presentation of the *Consent Agenda* and relevant facts of Banco Scotiabank Colpatría and subsidiaries. The information received may include programs where the risk profile may change due to internal or external factors.
- Analyze the *Consent Agenda* and if require, request extension or explanation of situations that it considers relevant or important and that are not exposed in the presentation of relevant facts.
- Recommend the Compliance adoption, Internal Control and Non-Financial Risk Policies, and demand the adoption of such policies.
- To be informed of the implementation and maintenance of Compliance, Internal Control and Non-Financial Risk Policies, adopted by the Bank or any of its subsidiaries, including:
  - Status of employee training regarding the compliance window on non-financial risk policies.
  - To be informed of employees' compliance each year with the statement of recognition and commitment to the Compliance and Integrity Policies
- To be informed about the compliance status regarding the applicable regulatory framework for the different subsidiaries of BNS in Colombia and the maintenance of adequate internal controls.
- Discuss and validate evaluations of regulatory changes, that are reported to them. Warn about risks and processes related to compliance with new regulations.
- Comprehensively review current and emerging trends, related to the management of Non-Financial Risks and related areas of interest and new regulations or modifications to current regulations to ensure an appropriate response.

- Provide guidelines or instructions on possible violations of the Compliance, Internal Control and Non-Financial Risks Policies or the regulatory framework by Scotiabank Colpatría and/or any of its affiliates and make recommendations to be submitted to the Board of Directors regarding an appropriate resolution of such matters.
- To be informed about:
  - New strategies to mitigate risks of information leakage
  - Identified or reported incidents and signs of information leakage.
  - Action plans on each identified or reported situation and investigations made into signs of information leakage
  - New rules with an impact on data prevention and/or information leakage
  - Technology risk assessment with a focus on data protection and information leakage prevention, to report gaps and action plans that are defined.
- To be informed about the emerging risks that arise in the bank or its subsidiaries as part of the normal development of the activities they perform, for knowledge and recommend or give instructions on:
- Be informed about metrics of reputational impacts materialized or in courses, for the knowledge of the committee members who may request further details, and recommend or request actions in this regard.
- Review the business activities, initiatives, products, transactions or processes reported in the *Consent Agenda* presentations and/or relevant facts, which could imply a certain degree of Reputational risk and make recommendations when deemed necessary.
- Follow up on previous meeting commitments.
- Approve and/or recommend action plans, policy adjustments, guidelines, guides, metrics or non-financial risk indicators.
- different topics submitted to this committee for review, approval or rejection. E.g. RA Risk Approval.
- Being informed of the Risk Culture as well as conduct aspects: sales practice, stock market behavior and other improper behavior.

#### **3.4.8.2 MEMBERSHIP**

##### **Committee members**

- CEO Scotiabank Colpatría and its subsidiaries
- Internal Control Vice president
- Operations and Shared Services Vice president
- IT Vice president
- Risk Senior Vice president
- An Independent Member of the Board of Directors
- AML & Compliance Vice president
- A Representative of Mercantil Colpatría
- Legal Vice president
- CFO
- Vice president, Retail
- Vice president, Wholesale Banking
- Enterprise Risk Manager

#### **Permanent Guests**

- Audit Vice president
- Information Security Manager
- Enterprise Risk Manager

These guests will only have the right to speak.

#### **PARTICIPANTS:**

- Fraud Manager
- Regulatory & Operational Governance (before 1B) Manager.
- Trust General Manager
- Scotia Securities Management

#### **PRESIDENCY**

The Head of the Committee will be in charge of SVP Risk or Enterprise Risk Manager who will be responsible for reporting the facts, situations and resolutions, that are discussed and known, as part of their role in the organization and as an analysis of the information received for this committee by the different areas, managements or vice presidencies of the Bank or its subsidiaries. In case of absence of the Risk SVP and Enterprise Risk Manager, he or she will be subrogated by the person designated by them for this purpose.

#### **COMMITTEE SECRETARIAT**

The Enterprise Risk Manager will act as the Committee's Secretary. In the event that the

Enterprise Risk Manager cannot attend, he or she must delegate this task to another person, who will act as Secretary for the purpose of taking the minutes of the meeting.

#### Committee's Secretary duties

- Set Annual Meetings Agenda.
- Call for meetings.
- Coordinate the collection of information to be presented to the Committee.
- Send the following information to the Committee members at least two (2) business days before the meeting:
  - Consent Agenda, that includes detailed information and indicators.
  - Relevant facts, showing the pending items from the previous meeting, and the information considered should be shown and explained to the committee members because of the sensitivity of the issue or the possible exposure it may generate for the bank or its subsidiaries.
- Invite those who are considered should attend to explain or clarify different aspects or topics to be reviewed during the committee.
- Define the agenda and issues to be seen and reviewed during each committee session.
- Follow up on the action plans recorded in the minutes, and present status at the next session of the committee. Only pending action plans from each meeting will be submitted.

#### **MEETINGS**

The Committee will meet on a regular monthly basis or on an extraordinary basis when the inherent needs of the business require it or when the circumstances of the economic environment demand it. In any case, if due to unforeseen circumstances or lack of required quorum, the Secretary of the Committee determines that it is not possible to hold the meeting in the terms indicated above, it will be held in the following month, and the items foreseen for the meeting in the month in which it was not possible to hold the session, must be included in the agenda.

The monthly meeting may bring the relevant facts without necessarily all of them shall be explained during the meeting. The head of the committee may define topics or aspects that will be reviewed and clarified during the committee. Committee members may object to or ask for any unexplained issue and it will be left as a pending for clarification issue at the next session/meeting of the committee.

#### **QUORUM**

- Committee members have the right to speak and vote. The meeting will be opened with the attendance of a minimum of 5 regular members or their alternates.
- Decisions can be made with this number of attendees.
- The members of the Committee may designate an alternate by mail, to participate in the meeting, who will have the same rights as the incumbent.
- Members of the Compliance Committee may participate in any meeting by conference call or using similar communication device, as long as all members participating in the meeting can listen to each other.

### **COMMITTEE AGENDA**

Aspects related to the following risks will be discussed:

- Enterprise Risk (Operational Risk, BCP, Cybersecurity, Policies, TPRM).
- Compliance
- Risk Culture
- Conduct: sales practice, stock market behavior and other improper conduct
- AML (Prevention of Money Laundering and Financing of Terrorism)
- Internal Control
- Legal (Reputational Risk)
- Fraud Management (Fraud Risk)
- Other relevant issues

### **MANDATE APPROVAL AND UPDATE**

The Mandate will be reviewed and updated when required.

Once approved by the Board of Directors of Scotiabank Colpatría, this will be the document that defines and governs the activities, roles and responsibilities of the Compliance, Internal Control and Non-Financial Risks Committee of Scotiabank Colpatría, and its Subsidiaries.

### **MANDATE DISCLOSURE**

Once approved, the presidency of the Committee, shall communicate the Mandate to all relevant stakeholders.

## **FOURTH CHAPTER: BANK CONTROL MODEL STRUCTURE**

The Internal Control model has been adjusted according to the guidelines contained in Chapter IV, Title I, Part I of External Circular Letter 029 of 2014 of the Financial Superintendency of Colombia,



for the Bank and the subsidiaries supervised by that control entity.

#### **4.1 INTERNAL CONTROL**

Internal Control System is understood to be the process that includes all administrative, financial or other controls established by the Board of Directors or any other competent body or official, in order to permanently maintain reasonable certainty of the achievement of the following objectives:

- a. Improve the efficiency and effectiveness of the Bank's operations. For this purpose, effectiveness is understood as the capacity to achieve the goals and/or results proposed; and efficiency is understood as the capacity to produce maximum results with minimum resources, energy and time.
- b. Prevent and mitigate the occurrence of fraud, originated both inside and outside the Bank.
- c. Perform a proper risk management.
- d. Increase the reliability and timeliness of the information generated by the Bank.
- e. Provide adequate compliance with the norms and regulations applicable to the Bank.

This is how, the Internal Control System is governed by three basic principles, which are: self-control, self-regulation and self-management, which constitute the essential and basic foundations and conditions that guarantee its effectiveness in accordance with the nature of the authorized operations, duties and characteristics of its own.

The Board of Directors and the other Directors shall ensure the proper operation of the internal control system, through the establishment of efficient procedures and the allocation of suitable means or resources for the full compliance of their objectives, which will lead to the strengthening of the minimum elements of the Internal Control System, namely: Control Environment, Risk Management, Control Activities, Information and Communication, Independent Monitoring and Evaluations.

#### **4.2 SUPERVISION DUTY**

The supervisory function in the Bank's corporate governance is carried out by the following bodies or entities, without excluding or limiting the Board of Directors' own responsibility:

- CEO
- Legal Vice president – General Secretariat
- Internal Audit
- Fiscal Auditor

#### **4.3 OF INTERNAL AUDIT**

The Internal Control duty is performed by the Audit Vice president.

The Internal Control System comprises several activities such as: implementation and supervision of the companies' internal controls, of the tests they conduct and of the compliance when verifying with policies, procedures and controls of commercial, credit, operations and administrative areas, with a schedule of visits focused on the evaluation and risks control in the most sensitive business processes; that is, field work that requires any weakness, discussing such weaknesses with the Administration, including memorandums of recommendations with corrective actions agreed with individual responsible of the area.

#### **4.3.1 Reports**

The periodic and occasional reports of the Auditor shall be considered by the CEO, the Audit Committee and the Board of Directors of the Bank.

#### **4.3.2 Auditable Processes**

All processes that are fulfilled in the Bank and its controlled companies will be auditable under generally accepted audit rules and principles.

#### **4.4 EXTERNAL CONTROL – TAX AUDIT**

Subject to the regulations in force, the Bank has an external oversight mechanism in the Tax Audit, which ensures the integrity of the entity's accounting reports and statements.

By legal and statutory mandate, the Bank has a Fiscal Auditor with his or her alternate, appointed by the Shareholders' Meeting for periods equal to those of the Board of Directors, without prejudice to being removed at any time. Both the election of the Fiscal Auditor and his or her alternate, and their eventual removal, require decisions taken by an absolute majority of the shares represented at the respective meeting.

#### **4.4.1 Duties**

These are duties of the Fiscal Auditor, in addition to those of Law and the regulations of the Financial Superintendency.

a. Report periodically to the Audit Committee on:

- Essential accounting policies and practices used by the Bank
- Alternative treatment of financial information
- Substantial written communications between the Tax Audit and the Bank's Administration

2b. Certify to the Shareholders' Meeting, with respect to its informative responsibility.

#### **4.4.2 Fiscal Auditor Appointment Policy**

##### **4.4.2.1 Receiving Proposals.**

The proposals for nomination or appointment to the position of Fiscal Auditor, accompanied by exhaustive information regarding the personal and professional characteristics of the candidates, shall be deposited at the disposal of the shareholders at the corporate head office at least fifteen (15) days prior to the date scheduled for the Meeting.

The Board of Directors may make a pre-selection of candidates, establish their remuneration and propose them to the Shareholders' Meeting. However, it may delegate such function to the Audit Committee, which will also be in charge of proposing the list of candidates for the position of Fiscal Auditor. The Audit Committee will receive proposals from the Shareholders, but may also autonomously present its proposal.

#### **4.4.2.2. Recruitment rules**

For the purpose of recruiting candidates for Fiscal Auditor, the Board of Directors and/or the Audit Committee will apply as recruitment criteria, professionalism, experience and honorability. Additionally, the composition and team work qualities available of the candidate will be assessed. To this extent, they will refrain from proposing to the Shareholders' Meeting the appointment of candidates who have been subject to disqualification, suspension or any other firm sanction on the occasion of the provision of audit services of which they were aware, by authorities and including any other type of sanction associated to their profession.

Likewise, persons or firms that have received income from the company and/or have economic ties that represent twenty-five percent (25%) or more of their last annual income may not be designated as Tax Auditor.

#### **4.4.2.3. Clauses**

In the contracts with its tax audit, the Bank must agree to clauses in which the auditing firm undertakes to rotate the individuals who perform this duty, with a periodicity of at least every five (5) years time. Likewise, it must be agreed that the person who has been rotated, can only resume the audit of the company after a period of two (2) years. The contracts will be for periods of two (2) years and can be renewed for equal periods.

#### **4.4.2.4. Inabilities**

A person who is a shareholder of the company or of any of its subsidiaries, or who is related by marriage or kinship within the fourth degree of consanguinity, first civil or second degree of affinity, or who is a partner of the company's Directors and managers, the Controller or Accountant of the company, or who holds any other position in the company or in its subsidiaries, may not be Fiscal Auditor. The Fiscal Auditor, while holding the position, may not hold any other position in the company or in its subsidiaries.

#### **4.4.2.5. Prohibition**

The Bank or its economic ties, may not contract with the Tax Auditor services other than auditing services.

#### **4.4.3. Tax Audit Reports**

The Fiscal Auditor will issue its periodic reports in accordance with applicable regulations, including the opinion on the financial statements at the end of the fiscal year to be presented before the General Shareholders' Assembly. 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' Assembly.

In the event of a discrepancy between the Fiscal Reviewer and the Board of Directors before paragraphs of emphasis or exceptions in the opinion mentioned above, the Board of Directors shall submit a written report to the General Shareholders' Assembly in which it justifies its position and inform the content and scope of the discrepancy.

#### **4.4 OPERATIONAL, REPORTING AND COMPLIANCE OBJECTIVES**

In line with the general objectives of the ICS and the policies provided for in the Code of Good Governance, the administration has defined as operational reporting and compliance objectives the following:

- a. To ensure the operations and business of the Entity are conducted in a profitable, liquid and safe manner, and they are authorized, executed and recorded in an adequate and reasonable way.
- b. Ensure financial information and other reports or disclosures contemplated in the Company's Articles of Association, Code of Good Governance and applicable regulations are made in a timely, complete and reasonable manner.
- c. Promote compliance with applicable rules, policies and regulations in the conduct of all business, as well as to ensure the operations transparency.

The above said objectives, will be achieved through the activities and controls on the processes and risks of the entity, as well as on the performance of each of its managers, employees, contractors, etc.

## FIFTH CHAPTER

### INFORMATION MANAGEMENT

#### 5.1 PERSONAL INFORMATION

The Bank, for the development of its activities, collects, processes, stores, discloses and generally treats personal data that supports contractual relationship and interaction with customers (including prospects and inactive and old clients), employees (including applicants and retired employees) and suppliers.

In order to manage personal data in compliance with data protection regulations, the guidelines established by the Bank and its head office, and in accordance with the reasonable expectations of the of the information holders, the Bank has a Privacy Risk Management Program which is led by the Privacy and Data Protection Officer.

In accordance with the guidelines established by the Privacy Risk Management Program and in compliance with data protection regulations, the following is a general description of the measures that must accompany the stages of the flow of personal data.

##### Collecting

- Authorization for data processing: Evidence of the prior and express authorization by the information holder for the processing of his or her personal data must be requested and kept. The authorization must clearly explain the purposes for which the data is captured and the treatment that will be given to it. Additionally, it must comply with the other requirements established in the data protection regulation.
- Contracts with third parties / allies: Contractual agreements must be established with the third parties that provide the Bank with personal data to ensure the legitimacy of the shared information.

##### Usage and Processing

- Contracts with third parties that process data under the Bank's responsibility: contractual agreements must govern and establish the relevant obligations regarding the transfer made between the parties.
- There must be channels in place and a revocation process that ensures compliance with the rights of the information holder.
- Robust security measures must be in place to protect the integrity, confidentiality, and availability of personal information.

##### Information Disclosure

- Access to information: In compliance with the principle of minimum access, access to personal information should be limited to the minimum possible, for the fulfillment of the responsibilities of the Bank's roles and the services provided by third parties.

- Access Security: Security measures must be implemented to effectively protect and manage access to personal information managed by the Bank.

#### Final Disposal

- Retention period: In compliance with legal obligations regarding the retention time of information and the purposes for which personal information is treated under the Bank's responsibility, the time that personal information will be retained and the mechanisms for final disposal must be established.

In order to comply with the controls and measures that must support the processing of personal data, the Privacy Risk Management Program is generally composed of the elements listed below:

- Scotiabank Privacy Framework: Establishes general guidelines on the measures and processes that must be implemented and monitored to ensure proper management of personal data. These guidelines are structured in an internal governance model, risk identification, processes and controls that the program must support, indicator collection, and reporting.
- As part of the internal governance model, senior management formally appointed a managerial unit that leads the processes and measures that support the comprehensive data management program. This unit is led by the Privacy and Data Protection Officer.
- Personal Data Processing Policy: Which details the rights of the owner, the purposes and treatment of personal information. This policy is published on the entity's website
- Personal Data Protection Manual: Establishes the corporate governance that supports the Bank's personal data management program, consolidates the procedures implemented to support the collection of authorization for the processing of personal data, the collection and general processing of personal information and the channels provided for compliance with the rights of the holders. In Addition, it establishes the procedures for privacy evaluations that are performed on the processes and initiatives that manage personal information, the activities for managing privacy incidents, the collection of indicators and reporting, and the mechanisms for training and dissemination of the program through all levels of the organization.
- Training and learning program: It consists of a detailed and exemplified course with easy to understand cases that must be developed by all the employees of the organization in a mandatory way, trainings directed according to the processes of the units and communication mechanisms to evaluate and solve consultations of the organization and to spread guidelines and messages to reinforce the program measures and to promote a culture of data protection within the organization.
- Privacy Impact Assessment Procedure: Through which the risk of processes and initiatives that manage personal information is evaluated. As a result of the evaluation, a certification letter is issued that collects the analysis and establishes the measures and controls, that must be implemented to ensure an adequate data protection.

- Privacy Incident and Violation Management Procedure: Establishes the responsible parties, guidelines and specific activities for the timely and proper management of privacy incidents.
- Monthly reports to senior management on the maturity level and follow-up on the implementation of program measures, management carried out and important milestones that must be driven by the senior management.

## **5.2 CONFIDENTIALITY.**

### **5.2.1 INFORMATION VALUE**

The Bank is aware that it is the Directors' responsibility and each of its employees, to ensure that communication reaches all stakeholders, and that there is a permanent feedback to generate the corresponding improvement actions. Therefore, to facilitate the interaction between these parties, the bank maintains an open information environment with the social media and has institutional tools, such as a website, intranet, printed matters, magazines and billboards, among others.

The Bank recognizes the economic and legal value of information as an intangible asset for the Bank and its stakeholders. But its importance is greater when it is part of the society's information system.

Therefore, the following is essential for the Bank:

1. That the various types of information it handles and must control, are reserved, except for legal exceptions.
2. That the applicable rules regarding information are:
  - A. To keep in reservation confidential information.
  - B. Make every effort to deliver information in a secure manner. The obligation to inform means that the Bank must preserve the information's confidentiality, even if it is only temporary.

### **5.2.2 FINANCIAL INFORMATION DISCLOSURE AND CONTROL**

#### **Confidentiality and reservation**

The Directors and their delegates, shall always ensure that the Bank's information that is of a confidential nature is kept in reservation.

#### **Information internal control**

In order to ensure the integrity of the information systems as a whole, from the organizational and operational perspectives, the Bank's employees must verify and identify the shortages that may generate adverse consequences in the information processing, using standard verification techniques.

### **Prevention Measures**

The following recommendations will be addressed in the development of the Bank's activities, which will be reflected in contrast strategies, namely:

- **General duty of care**

The Bank will reject any transaction or order issued by a customer, when it reasonably warns or suspects that these are market abuse calls or fraudulent ones.

- **Due diligence and contractual good faith**

The Bank will comply with the standards of due diligence and contractual good faith, and shall offer to disclose the information in the interest of the same.

- **Relevant information to the market**

The Bank will communicate to the stock market, as soon as it occurs, any legal, economic or financial fact that produces a substantial and immediate effect on the patrimonial value of its shares.

- **Contractual transparency**

The Bank will apply the transparency principle in its contracts, as well as in advertising and publicity; it must also establish and maintain a continuous, timely and punctual information flow.

### **Prevention Measures**

**Prohibitions:** The members of the Board of Directors, its Committees, the CEO and his or her alternates, the Vice presidents, Legal Representatives and other employees, accountants, lawyers or leaders of the Bank, may not disclose to the shareholders or to strangers, the Bank's operations, unless required by the competent authorities.

### **Confidentiality commitment by third parties**

All individuals or legal persons who contract with the Bank and who need to know some information about their social activities for the execution of the respective contract, they must sign a document in which they are obliged to keep absolute reservation or confidentiality about social operations and not to disclose any information related to them, except for the exceptions contemplated in the law or in this Code.

## **5.3 INFORMATION DISCLOSURE POLICY**

As a securities issuer, the Bank must disclose information to the market in the terms provided for in Article 5.2.4.1.5 of Decree 2555 of 2010. The following describes the measures that the Board of Directors considers appropriate and sufficient for the purpose of complying with this obligation. In any case, in particular situations, the Board of Directors or the Audit Committee may issue specific instructions, regarding the information disclosure to investors and Bank customers.



5.3.1. Responsible Area. In order to guarantee the timely and adequate publication of the information to be disclosed to the market in the platform provided by the Colombian Financial Superintendency, the General Secretariat Management of the Bank's Legal Vice presidency is appointed as responsible for such publication. For this purpose, the different areas of the Bank must inform in a timely manner, of the occurrence of events whose occurrence could be catalogued as relevant information in light of the applicable regulations.

5.3.2. Information to be disclosed. The facts classified as relevant information in Article 5.2.4.1.5 of Decree 2555 of 2010 or the rule or rules that modify or replace it, and in general all situations that a diligent and expert person would have taken into account when deciding on investment in securities, or the exercise of political rights derived from their ownership, must be disclosed.

5.3.3. How disclosure is made. In accordance with the provisions of Article 5.2.4.1.6 of Decree 2555 of 2010 or the norm or norms that modify or substitute it, the General Secretariat Management will publish relevant information on the platform that the Colombian Financial Superintendence has provided for this purpose on its website. In case the Superintendency has a change in such mechanism, compliance with what is instructed by the Supervisor will be implemented for this purpose.

5.3.4. Information recipients. The relevant information disclosure is made in a general way to the market. The information disclosure, specifically to the company's shareholders, will be carried out through the legal and statutory mechanisms established for this purpose.

5.3.5. Information recipients. The relevant information disclosure is made in a general way to the market. The information disclosure specifically to the company's shareholders, there are specific legal and statutory mechanisms that go beyond the scope of this article.

5.3.6. Procedure. Within the General Secretariat Management, an internal procedure should be in place to ensure the controls establishment in order to guarantee the disclosed information quality. In addition, such procedure should provide the information for pre-publication analysis in order to rule out that information classified as confidential or subject to information reservation is included in the facts to be disclosed. In the case of relevant information which in the Bank's opinion should not be disclosed to the market, the procedure provided for in Article 5.2.4.1.7 of Decree 2555 of 2010 or the rule amending or replacing it shall be followed. It is the responsibility of the Corporate Governance Committee to oversee the General Secretariat activities, for which, at the periodicity defined by the Committee, reports on the matter will be submitted to it.

5.3.7 Information dissemination events. The company holds events in which it presents its financial results using the different communication mechanisms. It also periodically participates in or makes economic analysis presentations, aimed at customers, investors and market analysts.

## **CHAPTER SIXTH**

### **TREASURY OPERATIONS RULES OF CONDUCT**

Employees of Scotiabank Colpatria S.A. who perform duties within the Bank's Treasury Department must act in accordance with the rules of ethics and conduct defined in the Code of Conduct, the Wholesale Banking Policy and the Information Barriers Policy, its Procedures and Addendum, related to the handling of corporate and personal conflicts of interest and the handling of confidential and privileged information; the trading protocol, call recording guidelines and other policies, rules and procedures applicable to their duties, which are intended to protect the market and maintain public confidence.

The officers subject to the application of these rules of conduct, aware of the responsibility they assume in the trading, holding, control, compliance and Treasury Operations management, understood as Interbank operations, repos, sight investments, purchase/sale of securities, operations with foreign currency, simultaneous operations, forwarding of securities and/or foreign currency, operations of instruments with financial derivatives and all those defined in the respective legal norms, must proceed as prudent and diligent experts, who act with transparency, honesty, loyalty, impartiality, adequacy and professionalism.

The employees who incurs in any of the conducts that violate the Law and the parameters of internal action, will be subject to sanction.

## **SEVENTH CHAPTER**

### **SOCIAL AWARENESS**

#### **7.1 DEFINITION**

The Bank's fundamental purpose is the preservation of its shareholders' patrimony, respect for its influence groups and business development, always considering the social and environmental surroundings, which is why its role is oriented to facilitate the correct and efficient use of resources.

Therefore, for the Bank it is of utmost importance to contribute to the development of its environment through social policies supported by management's commitment in order to disseminate, raise awareness, participate, implement and sustain these policies at all levels of the Bank. To achieve this, it will work in favor of:

- Adoption and compliance with good or socially responsible practices.
- Adoption of an open and effective way of governing, which reconciles the interests involved.
- Promoting the development of innovative management practices, increasing transparency by increasing the reliability of evaluation and validation.
- The competitiveness increase
- Collaboration with public authorities, in the search for more innovative ways or mechanisms to develop social responsibility.
- Risks mitigation, anticipating and preventing crises that could undermine the share's reputation and value.
- Socially responsible management from the internal and external point of view, which translates into profitability indicators.
- To voluntarily take care of social and environmental concerns in its commercial operations, as well as in the relations with the agents who directly or indirectly collaborate with its activities.
- Promote practices aimed at promoting equality between men and women, without excluding the possibility of providing employment to disabled persons and those over 40 years of age.

## **7.2 REGARDING BANK'S EMPLOYEES**

The Bank's institutional policies seek to ensure opportunities for progress, these are also fostered by a more conducive to personal and family fulfillment environment. To this end, the bank has established the following policies to guarantee the rights of all staff members in a safe and working environment that favors interpersonal relations, on a field of equality, reciprocal correction and respect:

- No behavior, actions or conduct that has a harmful or prejudicial effect, in the short term or in the long term, characterized by disrespect or that are offensive or abusive to its shareholders, customers, suppliers, contractors, directors or other officials shall be tolerated in the workplace.
- In the workplace, any form of work harassment (physical and verbal aggression, moral harassment, harassment, isolation, intimidation) by its shareholders, customers, suppliers, contractors, directors or other employees will not be permitted; since this affects the well-being and health of workers, while generating negative consequences for the family and social environment.
- Bilateral dialogue will be encouraged and permanent training will be provided to its employees, on the procedures they must follow in the development of their duties, in accordance with the tasks assigned to each one.

It will also pay special attention to the treatment of the following matters:

- Salary, social benefits, safety, hygiene and occupational health
- Safety at the workplace
- Professional and human promotion
- Capacity for dialogue

## **CHAPTER EIGHTH**

### **GRADUAL APPLICATION AND INTERPRETATION OF THIS CODE**

This Code, like the other codes of good corporate governance, corresponds to a working model of organization of "a living society", and therefore it is necessary to apply it gradually. On the other hand, its usefulness and generosity is to provide the criteria to make rational decisions about the internal organization, and the way the Bank operates, without prejudice to the provisions of its Articles of Association, as the main legal document.

#### **8.1 DEFINITION AND SCOPE**

The Good Governance Code must be fully understood and rigorously complied with by the directors, officers and shareholders of the Bank, its Subsidiaries, its Representative Offices and the Panama Branch; it is endowed with flexibility to adapt to the different business options, and it is subject to reforms or revisions based on the accumulated experience, the dynamic market changes and the regulatory interventions of the authorities.

#### **8.2 REVIEWS AND UPDATES**

This Code shall be regularly reviewed to keep it constantly updated in accordance with the dynamics of the business environment, regulatory developments, markets globalization, and the economic and social structure of the country.

These updates should also reflect the changes and definitions that are made at the Bank in Corporate Governance matters.

#### **8.3 MONITORING**

The compliance monitoring work with this Code, will be the responsibility of the General Secretariat, which will establish the appropriate monitoring methodologies.

#### **8.4 INTERPRETATION**

Constitutional rules and principles, as well as the general principles of law, shall serve to interpret this Code.

If there are any doubts or concerns about the content, scope, or application of the provisions of this Code, the General Secretariat must always be consulted before acting.

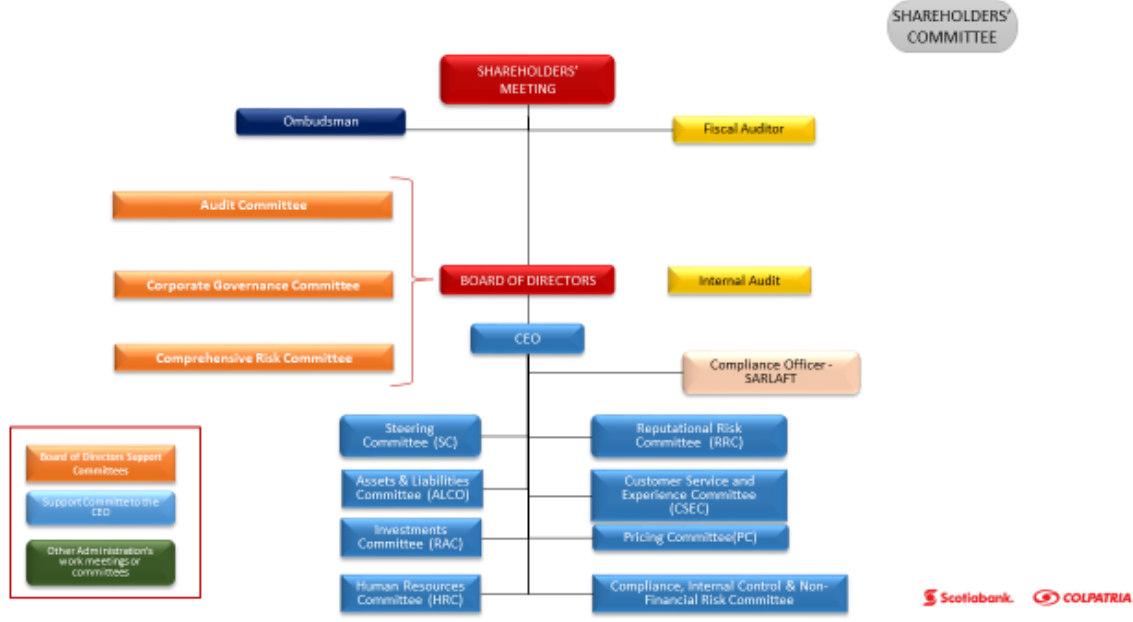
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APPENDIX No. 1

**CORPORATE GOVERNANCE STRUCTURE**

**CORPORATE GOVERNANCE STRUCTURE**

Corporate Governance Centralized structure



## **APPENDIX No. 2**

### **INTERNAL OPERATING REGULATIONS OF SCOTIABANK COLPATRIA S.A. BOARD OF DIRECTORS**

#### **I. INTRODUCTION**

The Board of Directors of Scotiabank Colpatria S.A. is the only and collegiate body responsible for the fulfillment of strategic nature activities, of organization and of verification of the existence and effectiveness of internal controls that allow the proper monitoring of the company's operation. Its members must act at all times with good faith, loyalty and diligence of a good businessman. In addition, all their actions must be oriented to meet the objectives and interests of the company, complying with what is established in the articles of association and the provisions of good governance adopted by the entity.

The Board of Directors will also promote the best treatment and attention to shareholders, financial consumers, employees, suppliers and, in general, all its stakeholders.

In accordance with the foregoing, the rules of operation of the Board of Directors of Scotiabank Colpatria S.A. are set forth below so that it may be accepted as a guiding document for the development of the legal and statutory powers of this administrative and control body.

#### **II. PRELIMINARY TITLE**

These regulations must be applied by the Board of Directors of Scotiabank Colpatria S.A. and all its members. That is why the persons to whom the regulations apply must know them, comply with them and make them comply. These Regulations will be disclosed through their publication in the Code of Good Corporate Governance and will be an integral part of it.

#### **III. BOARD OF DIRECTORS STRUCTURE**

##### **Article 1.- Formation, period and election**

The Board of Directors, as a collegiate and only body, shall consist of the number of members established by the Articles of Association of Scotiabank Colpatria S.A., all of them elected by the General Shareholders' Assembly in application of the electoral quotient system, for periods of two (2) years time and re-elected indefinitely. The company's president will have the right to speak, but not the right to vote in the meetings of the Board of Directors. The members of the Board of Directors will remain in office until their replacements have been appointed.

The independent character of a board member shall be determined in accordance with the applicable legal rules. In addition, for the purposes of the Code of Best Corporate Practices – Country Code - incorporated into the Basic Legal Circular of the Financial Superintendency of Colombia, Members will be classified as: Independent, Patrimonial and Executive Members.



**Article 2.- Nomination and appointment of members of the Board of Directors.**

Proposals for nomination or appointment for the positions of members of the Board of Directors, accompanied by information regarding the personal and professional characteristics of the candidates, shall be deposited at the main address of the company for the election of the members of the Board of Directors by the General Shareholders' Assembly.

The assessment of suitability and compliance with the recruitment criteria, regarding the candidates to be part of the Board of Directors, should be carried out prior to the holding of the Shareholders' Meeting, under the leadership of the Corporate Governance Committee.

For the election of its Directors, the provisions contained in the Articles of association and in the manuals or policies of the Risk Management System for Money Laundering and the Financing of Terrorism (SARLAFT) shall apply.

When a Director is appointed for the first time, the company must make available to him or her sufficient information so that he/she can have specific knowledge of the company, and the sector in which he or she works, as well as all the information related to his/her responsibilities, obligations and powers.

The Board of Directors shall coordinate with the General Secretary of the Bank the onboarding and training program for new or current Directors.

**Article 3.- Availability of members of the Board of Directors.**

Candidates for Board membership must ensure that they have time available to assume their responsibilities. Availability includes, in addition to attending Board meetings, evaluation of material and information previous from meetings, follow-up of information on the financial sector, training and updating programs, meetings with authorities and, in general, the time needed to make studies or recommendations to the company.

**Article 4.- Inabilities and incompatibilities.**

The members of the Board of Directors may not be involved in any causes of inability or incompatibility. Without prejudice to the inabilities and incompatibilities established in the current regulations and in the Articles of Association of Scotiabank Colpatria S.A., in any case it is the Directors' duty to inform the entity of any possible inability or incompatibility they may have to exercise their position, or may arise after the beginning of the fiscal year.

**Article 5.- Conflicts of interest.**

The members of the Board of Directors shall avoid conflicts of interest with the entity, informing the other members of the Board of Directors of the existence of such conflicts and refraining from voting on the subject matter of the conflict, unless the Board of Directors, with the unanimous vote of the other members present, has considered that the respective Director is not in a situation of conflict.

## **Article 6.- Duties and rights of members of the Board of Directors**

**6.1 Duties.** In addition to the duties provided for in the applicable regulations and in the Articles of Association, the members of the Board of Directors must comply with the following duties

- a. Duty of diligence or care, proper of an expert in the exercise of his or her duties.
- b. Duty of loyalty to the company, in particular in the face of potential conflicts of interest.
- c. Non - competition duty with regard to the economic activities developed by the company.
- d. Duty of secrecy, which includes preserving the confidentiality of the information that he or she is aware of in his or her role as a Director.
- e. Duty of non-use of social assets, understood as an improper personal use of company's assets.

**6.2 Rights.** The Directors will have the following rights

- a. Right of information. Directors may access the information required for the proper exercise of their role as members of the Board of Directors.
- b. The right to be assisted by experts. Directors may propose, within the framework of the Support Committees to the Board or the Board of Directors, to have the support of external experts in certain matters.
- c. Right of remuneration. Directors who do not have the status of employees or shareholders of the company, shall be entitled to remuneration on the occasion of their attendance at the sessions of the Board or its Committees.
- d. Onboarding and permanent training right. New members of the Board of Directors have the right to be given an onboarding for the purpose of providing them with information regarding the company and the operation of the Board of Directors that will enable them to exercise their duties properly. Directors have the right to be trained permanently, for which an agenda will be established and thematic training coordinated at the head of the Corporate Governance Committee and training will be coordinated on topics that identify as of interest to the Board

## **Article 7.- Privileged Information**

The members of the Board of Directors shall refrain from using for purposes other than the exercise of their position or the arrangements related to it, the privileged or reserved information of Scotiabank Colpatria S.A., its customers, shareholders, suppliers and the different interest groups to which they have access during their role.

## **Article 8.- Chairman.**

The Board of Directors shall elect a Chairman and a Vice chairman by the affirmative vote of the majority of its members. The duties of the Chairman of the Board of Directors shall be those set forth in the company's Articles of Association and those describe below:

1. Ensure that the Board of Directors efficiently sets and implements the strategic direction of the company.
2. Promote the company's governance action, acting as a link between the shareholders and the Board of Directors.
3. Coordinate and plan the operation of the Board of Directors by establishing an annual work plan based on the assigned duties, for which he or she will have the support of the Secretary of the Board of Directors and the CEO of the Bank. This planning will include an estimate of meetings to be held during the period, as well as the approximate duration of them. This calendar will include at least one (1) meeting per month, and at least, one of these meetings will be devoted to issues of definition and monitoring of the Bank's strategy.
4. To call the meetings, directly or through the Secretary of the Board of Directors.
5. Prepare the Agenda of the meetings, in coordination with the CEO of the Bank, the Secretary of the Board of Directors and the other members.
6. To ensure the delivery, in due time and form, of information to the members of the Board of Directors, for which he will have the support of the Secretary of the Board of Directors. Such information must be made available to the Directors at least five (5) days in advance. Such information must be useful and of good quality.
7. Chair meetings and manage debates.
8. Ensure the execution of the agreements of the Board of Directors and follow up on its orders and decisions.
9. Monitor the active participation of the members of the Board of Directors.
10. To lead the annual self- assessment process of the Board of Directors and Committees, except for his or her own assessment.
11. Coordinate with the General Secretariat, the completion and updating of the Directors' skills matrix.

#### **Article 9.- Secretariat.**

The Secretary of the Board of Directors shall be the General Secretary of the company. In case of absolute or temporary absence, the General Secretary shall be replaced by the person designated by the Board of Directors. The duties of the Secretary of the Board of Directors will be those indicated in the Articles of association of the company and those describe below:

1. Call the meetings, in accordance with the annual plan.
2. To make the delivery in time and form of the information to the members of the Board of Directors.
3. Maintain corporate documentation, properly reflect in the minutes books the development of the sessions, and attest to the agreements or decisions of the corporate bodies.
4. Ensure the formal legality of the actions of the Board of Directors and to guarantee that its procedures and rules of governance are respected and regularly reviewed, in accordance with the provisions of the Articles of Association, and other internal regulations of the company.
5. Communicate, in an appropriate and timely manner, the decisions of the Board of Directors.

## **OPERATION OF THE BOARD OF DIRECTORS**

### **Article 10.- Meetings.**

**10.1.** The Board of Directors will meet ordinarily once a month, without prejudice to the fact that it may meet extraordinarily on different occasions, when called by the persons established in the Articles of Association of the company and at the time indicated for such call.

The Board of Directors may invite to its meetings the CEO of the Company, one or more members of the Bank's administration, any officer of the entity, the Statutory Auditor and, in general, any third party whose presence is necessary or appropriate. The General Secretariat of the Bank shall take the necessary measures to protect the respective information.

In accordance with the applicable rules, the unjustified absence of a member of the Board of Directors for a period longer than three (3) months, will result in the vacancy of the Director's position, and his or her alternate will take his or her place for the rest of the period for which he or she was elected.

**10.2.** The regular meetings of the Board of Directors shall be fully valid, provided that the call is made not less than ten (10) business days in advance.

Extraordinary meetings shall be held when required by the unforeseen or urgent needs of the company, or when this is necessary or relevant to the performance of its duties.

**10.3.** The company shall bear all costs and expenses, that are reasonably necessary, for the members of the Board of Directors to attend the in person meetings called by such body.

**10.4.** Board meetings shall be held on the last Wednesday of each month, unless otherwise provided by the Board itself. Board members shall have access to the information to be discussed at each meeting no later than the Friday prior to the date set for the Board meeting. In any case, if due to unforeseen circumstances the General Secretary determines that it is not possible to comply with the above mentioned term, the information shall be sent to the interested parties on the business day stipulated.

### **Article 11.- Remote meetings**

**11.1.** The Board of Directors may hold remote meetings when, by any means and with a sufficient quorum to do so in accordance with the Articles of Association, its members can deliberate and decide by simultaneous or successive communication, and when all other requirements established by law are met.

**11.2.** Likewise, the decisions of the Board of Directors will be valid, when all the partners or members express in writing the sense of their vote, as long as it is made in accordance with the applicable legal provisions.

**Article 12.- Deliberations and decisions.**

**12.1.** The deliberations and decisions of the Board of Directors, shall be conducted and adopted in accordance with the conditions set forth in the Articles of Association.

**12.2.** The members of the Board of Directors may hire, prior decision of the Board itself and at the expense of the company, external advisors of recognized experience and professional solvency, to issue an independent opinion in those cases where the law establishes it, or when it is considered pertinent or necessary.

In the event that the intervention of an external advisor is requested, the chairman of the Board of Directors or any other member must declare whether there is any conflict of interest between him and the intervening advisor, any kinship or business or personal relationship between him or her, his or her spouse or relatives within the second degree of consanguinity and affinity, in which case the hiring decision may be reconsidered. In any case, the advisor who is hired must keep confidentiality on the subjects of the advice and must refrain from any conduct that entails a conflict of interest or use of privileged information.

**Article 13.- Information to alternate members.**

The alternate members of the Board of Directors, must be kept duly informed regarding the issues submitted for consideration by this corporate body.

**Article 14.- Management Report**

The management report of the Board of Directors and the CEO of the Company, must be presented to the General Shareholders' Assembly and this must contain the information about the fiscal year, contain a faithful presentation about the business evolution, and the company's legal, economic and administrative situation. This report must also include indications on (i) the important events that have occurred during the fiscal year, (ii) the foreseeable evolution of the Company, (iii) the state of compliance with intellectual property and copyright regulations by the Company, (iv) the work carried out by the Audit Committee.

The above mentioned report must, be approved by a majority of votes of those who must submit it and the explanations or reservations of those who do not share it must be attached to it. In addition, if the Company has within its work system some method of supplementary information to the accountant, it will present it in an attached form to the one legally required.

**Article 15- Minutes.**

The events of the meetings of the Board of Directors must be recorded in the minutes that will be included in chronological order in a book of minutes that will be kept at the main address of the company. These minutes shall be signed by the person who chairs over the respective meetings and by the General Secretary; they shall also be numbered and shall record the place, date and time of the meeting, the name of the attendees, all the matters discussed and the decisions adopted, denied or postponed. Likewise, all the material that is subject to review and consideration by the collegiate body, shall be digitally and physically filed in the auxiliary books of minutes of the Board of Directors, which are a comprehensive part of the corresponding minutes.

The approval of the minutes of the Board of Directors will be in charge of the Chairman of the Board or by the Board member who chairs over the respective session. The book of minutes of the Board of Directors will be carried and guarded by the General Secretary of the Society.

No more than two (2) months may elapse between the date of the Board of Directors' meeting, and the time when the minutes are to be recorded in the minutes' book. In this sense, the draft of the minutes of the Board of Directors' meeting must be sent to the Directors, along with the material of the next meeting, so that they can give their comments or observations on the content of the document. If no comments are made, the document will be recorded in the books, which must be done within the period indicated at the beginning of this paragraph.

The above, shall be understood without prejudice to the General Secretary' authority to communicate, in an appropriate manner and with full validity, the decisions of the Board, as soon as they are adopted.

**Paragraph. Board of Directors Support Committee Minutes**

Minutes are prepared from the meetings of the sessions of the Board of Directors' support committees in accordance with the requirements of the Trade Code for the minutes of the meetings of the General Shareholders' Assembly. Such minutes shall be made known to all Directors, whether or not they are members of the Committees.

**Article 16.-. Meetings with control areas or duties.**

Board members may call and hold the meetings they deem necessary with the Bank's internal or external control bodies, as well as with the responsible persons for the entity's control areas or duties.

**These regulations are mandatory for members of the Board of Directors and Senior Management executives of Scotiabank Colpatría S.A**

**APPENDIX No. 3**

**GUIDELINE OF THE STANDARD MANDATE FOR THE PRESIDENCY AND/OR MANAGEMENT**

## COMMITTEES

### **PURPOSES**

The purpose of this guideline is to standardize the mandates of the Bank's various management committees (or committees to support the CEO), aligned with the standard used by Scotiabank. This guideline will be updated and communicated at least every three years or whenever there is a major change.

### **APPLICATION SCOPE**

This guideline shall apply to management committees (or committees that support the CEO), namely:

- Steering Committee (SC)
- Assets and Liabilities Committee (ALCO)
- Investments Committee (RAC)
- Reputational Risk Committee (RRC)
- Customer Service & Experience Committee (CSEC)
- Human Resources Committee (HRC)
- Pricing Committee (PC)

### **STANDARD FORMAT**

#### **1. MANDATE**

1.1. Committee Objective:

1.2. Committee Duties:

It includes the committee's mission statement, which must define

- i. Committee Purpose;
- ii. Main goals and objectives;
- iii. Activities and Responsibilities

#### **2. MEMBERSHIPS**

2.1. List of all committee members with right to vote.

2.2. List of all committee members without right to vote.

2.3. List of all delegated committee members, if applicable

NOTES:

- The Chairman and his or her alternate must be clearly identified
- Each member of the committee must be identified by his or her position within the Bank instead of his or her name.

**3. MEETINGS**

Indicate the frequency of meetings and whether they can be held by phone or email.

**4. QUORUM**

Indicate the minimum number of members, or individual members who must be present at any meeting to validate the minutes of the meeting.

**5. APPROVALS, LIMITS AND AUTHORIZATIONS**

This section identifies specific approval levels and authorizations on the issues overseen by the committee, beyond which the highest level of approval should be notified.

**6. SECRETARIAT RECORDS**

Identification of the Secretary and the Secretariat duties, including:

- i. Prepare an agenda for each meeting;
- ii. Prepare the minutes of each meeting, which should clearly indicate the members with right to vote who ratified any decision taken.

**7. REPORT (if applies)**

Identify the highest authority level the committee reports to in the organization's structure.

**8. AMENDMENTS TO THE COMMITTEE'S MANDATE**

Identify the responsible committee or executive in order to approve major changes to the mandate.

Include details of who is authorized to approve minor modifications or internal matters (e.g. changes to members' positions) of the Committee's mandate.