

ANNUAL CORPORATE GOVERNANCE REPORT FOR 2017

2017 was a challenging year for the Latin American state and business sector, with the fact having been laid bare that transparent management is by no way a done deal simply because a Company has its own Codes of Good Governance or has made public declarations as to its ethical conduct. This year proved that corruption is a scourge that can affect all areas of the region's economy and that companies must go beyond spouting their best intentions and instead establish effective mechanisms to combat illegality and ensure institutional legitimacy, which is a task for both the public and private sectors.

Grupo SURA, aware of these challenges, has been structuring its own Ethics and Corporate Governance System, where its corporate principles of Transparency, Fairness, Responsibility and Respect form the bedrock for its sustainable business performance, while strictly respecting both the law and the rights of our stakeholders. Our challenge is to ensure the utmost consistency between the commitments we have engaged in and our business performance, this as the foundation for creating added value and trust.

In this regard, Grupo SURA presents its Annual Corporate Governance Report, rendering account of its ongoing compliance with all those rules and regulations adopted in this field, and outlining the highlights and progress made in 2017.

I. HIGHLIGHTS FOR 2017 AND THE CHALLENGES TO BE ADDRESSED IN 2018

Within the framework of the Company's activities, the following are just some of the more significant highlights with regard to the Company's Ethics and Corporate Governance Performance in 2017:

- The Best Corporate Practices Survey corresponding to 2016 was completed as part of Colombia's Country Code initiative. Here, we were able to implement 145 of the 148 recommendations issued by the Colombian Superintendency of Finance. Grupo SURA maintains all those standards recommended in this Survey under constant review, so as to determine their respective relevance and possible adoption as part of the Company's Corporate Governance function. This report has been made available at the following link: www.gruposura.com.
- Also, the internal rules and regulations adopted in response to Good Governance standards were also reviewed so as to be able to gauge how well they are being complied with. A favorable conclusion was reached, since the Company has been correctly following the established guidelines. As part of this process we found room for improvement with various aspects that shall be reinforced as part of the work plan scheduled for the period 2018-2019.

- By looking for ways to continuously improve our Ethics and Corporate Governance System, we identified certain best practices and standards on a global level, including those suggested by the Dow Jones Sustainability Index, which we proceeded to analyze from the standpoint of our own governance model, business philosophy and corporate values. These best practices shall be introduced into the System as part of our work plan for the period 2018-2019.
- Grupo SURA and its subsidiaries, Suramericana and SURA Asset Management, structured a dissemination and training program for our Ethics and Corporate Governance initiative, which is aimed at all employees of the SURA Business Group and focuses on communicating the main guidelines contained in our standards by brainstorming certain ethical dilemmas which in turn has made our staff reflect on and truly “own” a responsible business culture.
- We also played an active role as a member of the Colombian Stock Exchange's Issuers Committee and have taken part in different discussion panels on Equities and Corporate Governance organized by this Committee.
- Training events were staged for the members of the Boards of Directors of all those companies that form part of the Business Group with regard to strategy, trend and risk management, innovation and business knowledge. These were given by experts from different subsidiaries as well as outside partners of international renown such as Singularity University (California, United States).
- We continued to build up the SURA Business Group's *Corporate Governance Roundtable* which is coordinated by Grupo Sura for the purpose of promoting interaction between the Companies belonging to the Business Group, as well as encouraging constructive dialogue on topics such as: good corporate governance practices, the implementation of new standards and providing guidelines to Companies belonging to the Business Group, employee training with regard to Ethics and Corporate Governance, among other matters. This Roundtable, which came into being as a result of having implemented the Colombian Country Code, met on 12 separate occasions in 2017 and has become a channel through which the Group's Companies can now liaison with each other.
- Grupo SURA's Annual Investors' Day was held for the fifth year running for the purpose of informing investors, market analysts and professional audiences on Grupo SURA's business performance. We were also afforded the opportunity of discussing the challenges and opportunities for each of our lines of business, the innovation strategies deployed and the way in which the Companies belonging to the Business Group are working in tandem throughout Latin America.
- In 2017, Grupo SURA received two international awards in recognition of its robust Ethics and Corporate Governance System:

In July, the specialized journal, *Ethical Boardroom* based in the United Kingdom awarded Grupo SURA the "Best Corporate Governance" award in the Latin American Holding category, in recognition of our efforts to raise our Corporate Governance standards in order to protect and ensure the value that the Company represents over the long term for its shareholders as well as other stakeholders.

Similarly, in November, Grupo SURA was ranked by ALAS20 as "*Leading Company*" in its Corporate Governance category. ALAS20 is an initiative organized by GovernArt in Brazil, Chile, Peru and Colombia, which recognizes all those Companies that stand out from the rest for their leadership in the social, environmental and corporate governance areas.

- Recognizing the role that sustainability plays in the Organization's strategy, the Board of Directors decided to reconfigure the functions of the Corporate Governance Committee, assigning additional responsibilities and re-naming it the Sustainability and Corporate Governance Committee.
- Once again, the Company received the Investor Relations Recognition (IR Recognition) award from the Colombian Stock Exchange, for its sound strategy with regard to the voluntary implementation of practices that facilitate a direct and close interaction between Grupo SURA's Senior Management and its shareholders, investors and other stakeholders.
- Grupo SURA is looking at a major challenge going ahead in 2018, this consisting of incorporating the guidelines required by the new Financial Conglomerates Act in Colombia (Law 1870 of 2017), as a result of the requirements that the Colombian Government is currently working on in terms of capital structuring, risk management, the control environment and reporting. For this purpose, Grupo SURA must extend its Corporate Governance framework to other companies belonging to the Group so as to able to faithfully comply with its obligations as a financial holding company.

II. Ethics Hot Line

Grupo SURA's Ethics Hot Line is a confidential and secure channel that has been made available to all our stakeholders so that they may report any situation that goes against our Company's ethical conduct and corporate principles that all our employees must abide by.

The cases reported through this channel are subsequently analyzed with the utmost confidentiality on the part of our Ethics Committee, which is responsible for monitoring how our Code of Ethical Conduct is being upheld and ensuring that our actions are governed by a clearly defined ethical commitment.

Similarly, the Board of Directors, through its Audit and Finance Committee, periodically monitors the main aspects of complying with our Code of Ethical Conduct, evaluating any unethical conduct that may arise as well as the substance of any complaints or grievances that have been previously evaluated by the Ethics Committee.

No cases of corruption were reported in 2017, neither were any complaints of possible ethical violations made via the Company's Ethics Hot Line or received by its Ethics Committee.

Ethics Hot Line - Grupo SURA: lineaetica@gruposura.com.co

III. THE COMPANY'S OWNERSHIP STRUCTURE

1. The Company's Capital and Ownership Structure:

Share capital

Authorized Capital COP 112,500,000,000 divided up amongst 600,000,000 shares. Subscribed Capital COP 109,120,790,250 divided up amongst 581,977,548 shares Paid-in Capital COP 109,120,790,250 divided up amongst 581,977,548 shares

2. Holders of significant stakes in the Company's share capital at year-end 2017:

SHAREHOLDER	SHARES HELD	% stake
Grupo Argos S.A.	130.990.706	22.51
Grupo Nutresa S.A.	59.387.803	10.20
Fondo De Pensiones Obligatorias Porvenir Moderado	54.569.596	9.38
Fondo de Pensiones Obligatorias Proteccion Moderado moderado	50.589.397	8.69
Cementos Argos S.A.	26.751.424	4.60
Harbor International Fund	24.751.142	4.25
Fondo De Pensiones Obligatorias Colfondos Moderado	17.419.468	2.99
Oppenheimer Developing Markets Fund	13.206.870	2.27
Fondo Bursatil Ishares Colcap	11.484.837	1.97
Grupo Argos' Foundation	10.666.767	1.83
Colombiana de Comercio S.A Corbeta and/or Alkosto S.A.	10.000.000	1.72

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Old Mutual Fondo De Pensiones Obligatorias – Moderado	7.534.891	1.30
Abu Dhabi Investment Authority JP Morgan	6.989.392	1.20
Other shareholders with stakes of less than 1%	157.635.255	27.09
TOTAL	581.977.548	100.00

3. Shares owned by members of the Board of Directors and the voting rights these represent:

The following is a breakdown of the stakes held by the members of the Board of Directors in Grupo SURA's share capital at year-end 2017:

Member Board of Directors	Ordinary Shares Held	Preferred Shares Held	Total	% Total Company
Jorge Mario Velásquez Jaramillo	12.143	164	12.307	0.0021%
Carlos Ignacio Gallego Palacio	-	-	-	0.0000%
Alejandro Piedrahita Borrero	-	-	-	0.0000%
Jaime Bermúdez Merizalde	-	-	-	0.0000%
Carlos Antonio Espinosa Soto	-	-	-	0.0000%
Luis Fernando Alarcón Mantilla	1.061	1.617	2.678	0.0005%
Sergio Michelsen Jaramillo	-	-	-	0.0000%

4. Significant family, commercial, contractual or corporate relationships among the Company's significant shareholders or between the significant shareholders and the Company

The Company and its subsidiaries maintain business relationships with some significant shareholders such as Grupo Nutresa, Grupo Argos and Cementos Argos. All transactions with the aforementioned Companies were carried out on an arm's length basis and according to objective criteria.

5. Trades conducted by members of the Board of Directors, Senior Management and other executives with regard to stocks and other securities issued by the Company:

No trades were conducted in 2017 with regard to the Company's shares either in or outside the stock exchange by the members of the Board of Directors or Senior Management.

6. Summary of shareholder agreements, as made known to the Company:

At year-end 2017, the Company had no knowledge of any agreements having been made between its shareholders.

7. Treasury Stock:

The Company does not have any treasury shares.

IV. THE COMPANY'S MANAGEMENT STRUCTURE

1. The Board of Directors, its Board Committees and corresponding members:

The Board of Directors, as appointed for the period 2016 - 2018, is made up of seven (7) principal members, four (4) of whom enjoy an independent status and represent 57% of the total, thus surpassing the legal minimum that requires at least 25%. The Chairman and Vice Chairman of the Board of Directors enjoy an independent status.

The names of the members of Grupo SURA's Board of Directors are listed as follows:

Luis Fernando Alarcón Mantilla	Independent member Chairman of the Board	Independent consultant
Jaime Bermúdez Merizalde	Independent member Vice-Chairman of the Board	Chief Executive Officer - Mba-Lazard Colombia
Carlos Antonio Espinosa Soto	Independent member	Chief Executive Officer - Racafé & Cía SCA
Sergio Michelsen Jaramillo	Independent member	Partner - Brigard & Urrutia
Jorge Mario Velásquez Jaramillo	Equity member	Chief Executive Officer - Grupo Argos

Carlos Ignacio Gallego Palacio	Equity member	Chief Executive Officer - Grupo Nutresa.
Alejandro Piedrahita Borrero	Equity member	Chief Corporate Finance Officer - Grupo Argos

2. Board Member Resumés:

The resumés of the members of the Board of Directors can be found at the following link: www.gruposura.com, as well as at the beginning of this report.

3. Changes made to the Board of Directors during the year:

In 2017, there were no changes made to the Board by the General Assembly of Shareholders.

4. Members of Grupo SURA's Board of Directors who are also members of the Boards of Directors or the Senior Management teams of its subsidiaries.

At year-end 2017, none of the members of Grupo SURA's Board of Directors were members of the Boards of its subsidiaries nor held managerial positions in these same.

5. Policies approved by the Board of Directors:

In order to continue to build and reinforce the Ethics and Corporate Governance System governing both Grupo SURA and its Business Group, in 2017 the Board of Directors approved and updated the following standards:

Approved:

- Regulatory Structure Policy

Updated:

- Grupo SURA's Pensioner Policy
- Reputation Management Policy Framework Stakeholder Relations and Brand Management Policy
- Social Investment Policy Framework
- Responsible Investment policy
- Rules and Regulations governing the Appointments and Remuneration Committee
- Exceptional Performance Recognition Manual
- Rules and Regulations governing the Sustainability and Corporate Governance Committee
- Rules and Regulations governing the Risk Management Committee.

6. Board member appointment procedure:

Bearing in mind that no members were appointed to the Company's Board of Directors in 2017, the corresponding appointment procedure was not applied. New board member appointments are scheduled for 2018, for which the guidelines and requirements established in the Company's by-laws, as well as in the General Appointment, Remuneration and Succession Policy for the Board of Directors shall be strictly adhered to.

7. Board of Directors' remuneration policy:

The General Assembly of Shareholders, at its Annual Ordinary Meeting held in March 2015, approved the General Appointment, Remuneration and Succession Policy for the Board of Directors, which establish the parameters for ensuring that the persons serving in such a capacity are suitable and adequately remunerated compared to other similar companies both at home and abroad.

This policy is currently in full force and effect as part of the Company's Ethics and Corporate Governance System, and therefore no updates were required. This policy has been made available on the Company's website, www.gruposura.com

8. Board of Director and Senior Management Remuneration:

Based on that stipulated in Article 23 Section E of the Company's by-laws, the General Assembly of Shareholders is responsible for setting the fees to be paid to the members of the Board of Directors, the Statutory Auditing firm and their respective alternates. Upon setting these fees, the Shareholders take into account the Board's structure, functions and responsibilities, as well as the personal and professional skills and expertise offered by its members and the amount of time dedicated to their activities.

In 2017, the General Assembly of Shareholders approved the monthly fees to be paid to each member of the Board in the amount of COP 6,900,000, as well as a general amount for the running of this governing body which came to COP 1,200 million. The aforementioned sums include the fees to be paid to members of the Board and the Board Committees, as well as traveling and accommodation, academic training and performance evaluation expense.

With regard to the remuneration paid to members of its Senior Management, Grupo SURA applies the Remuneration Policy as approved by the Board of Directors, which stipulate the minimum criteria for maintaining a fair and equitable remuneration system, along with other objective principles that ensure that employees are more aligned with the Company's long-term strategy. Based

on these parameters, the Appointments and Remuneration Committee measured Senior Management's follow-up indicators to ensure proper compliance with said policy.

Also, pursuant to that stipulated in Article 446 of the Colombian Code of Commerce, the attachments to the Company's Annual Financial Statements contain the salaries paid to members of the Company's Senior Management.

9. Board Meeting Quorum:

As a general rule, the Board may discuss and validly decide on matters brought before it with the presence and the votes of the majority of its members, except in the event of the Company choosing to guarantee the obligations of its related companies, in which case the unanimous vote of all its members is required.

In 2017, the Board of Directors met on 19 occasions, of which 12 were conducted in person and 7 where votes were cast in writing, thereby complying with that stipulated for this type of meeting both in current legislation and the Company's by-laws.

The Board met on all 19 occasions with the quorum required in the aforementioned rules and regulations and therefore all decisions made were validly discussed and adopted.

10. Board and Committee Meeting Attendance:

The attendance rate for meetings of the Board held in 2017 averaged out at 98%, as shown below:

Board member	Attendance Rate
Luis Fernando Alarcón	18 out of a total of 19 meetings 95%
Jaime Bermúdez	19 out of a total of 19 meetings 100%
Jorge Mario Velásquez	19 out of a total of 19 meetings 100%
Carlos Ignacio Gallego	18 out of a total of 19 meetings 95%
Carlos Antonio Espinosa	19 out of a total of 19 meetings 100%
Alejandro Piedrahita	19 out of a total of 19 meetings 100%
Sergio Michelsen	18 out of a total of 19 meetings 95%

The attendance rate for meetings of the Board Committees held in 2017 averaged out at 98%, as shown below:

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Audit and Finance Committee: Board member

	Attendance Rate	
Jaime Bermúdez Merizalde	6 out of a total of 6 meetings	100%
Luis Fernando Alarcón Mantilla	6 out of a total of 6 meetings	100%
Carlos Antonio Espinosa Soto	6 out of a total of 6 meetings	100%

Sustainability and Corporate Governance Committee: Board Member Attendance

<i>Sergio Michelsen Jaramillo</i>	2 out of a total of 2 meetings	100%
<i>Jorge Mario Velásquez Jaramillo</i>	2 out of a total of 2 meetings	100%
<i>Carlos Ignacio Gallego Palacio</i>	2 out of a total of 2 meetings	100%

Risk Management Committee Board Member

	Attendance Rate	
<i>Sergio Michelsen Jaramillo</i>	2 out of a total of 2 meetings	100%
<i>Alejandro Piedrahita Borrero</i>	2 out of a total of 2 meetings	100%
<i>Jaime Bermúdez Merizalde</i>	2 out of a total of 2 meetings	100%

Appointments and Remuneration Committee: Board Member Attendance

<i>Luis Fernando Alarcón Mantilla</i>	2 out of a total of 2 meetings	100%
<i>Jorge Mario Velásquez Jaramillo</i>	2 out of a total of 2 meetings	100%
<i>Carlos Ignacio Gallego Palacio</i>	2 out of a total of 2 meetings	100%

11. Functions and duties on the part of the Chairman of the Board:

In compliance with his legal and statutory duties, Mr. Luis Fernando Alarcon, as Independent Member and Chairman of the Board, was apprised of the most important events occurring within the Company. He also oversaw the Board's normal working order and ensured that its members received accurate, complete and timely information. He also monitored the effective implementation of the Board's annual work plan and chaired the board meeting that was held without the presence of the members of Grupo SURA's Senior Management for the purpose of analyzing in detail the performance self-assessments of the Board, its Committees as well as Senior Management.

12. Functions and duties on the part of the Secretary to the Board:

In accordance with the Company's by-laws and the Rules and Regulations governing the Board of Directors, the Secretary to the Board is responsible for calling for Board meetings in accordance with the established schedule; delivering the required information to the members of the Board in a timely manner and in due form; maintaining the Company's corporate documentation, ensuring that minutes of board meetings duly reflect what went on in such and attest to the resolutions made by the Company's governing bodies; as well as ensuring the formal legality of the acts of the Board of Directors and guarantee that its procedures and rules of governance are abided by and regularly reviewed.

As of August 2017, these functions were performed by *Juan Luis Múnera Gómez*, who joined the Company on that date as Chief Corporate Legal Affairs Officers and in such capacity acts as Company Secretary. Juan Luis holds a law degree from the Universidad Pontificia Bolivariana together with a specialist degree in Commercial Law from this same university. He also obtained a Master's degree in Comparative Legislation (LL.M) from the University of San Diego, California, United States.

13. Relationships between the Board and the Statutory Auditor, financial analysts, investment banks and rating agencies:

A representative from the Statutory Auditing firm attended meetings of the Company's Finance and Audit Committee, at the latter's invitation and the corresponding statutory auditing reports were submitted to the Board after being considered by this Committee.

Also, the Board was informed at its respective meetings of the coverage given by international analysts regarding the Group's shares.

14. External consultancy services contracted by the Board:

In 2017, the firm AT Kearney carried out an external performance evaluation of the Board of Directors, the results of which have been made available on the Company's website -www.gruposura.com-. The total value of this contract amounted to COP 69.5 million. As stipulated in the Company's Code of Good Governance and the Internal Operating Rules and Regulations of the Board of Directors, these external performance evaluations are carried out every two years.

15. Handling Board Information:

The Chairman of the Board and the Company Secretary are responsible for the Board of Directors receiving timely, adequate, accurate and reliable information so that everything they need for making the corresponding decisions is placed at their disposal. This information, which is of great strategic importance to both the Company and the Business Group, is managed based on strict privacy standards so that business secrets and projects are adequately protected.

In 2017, the Group made significant efforts in consolidating its financial information in a more effective and efficient manner, so that, to the extent this was possible,

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said information would be made available to the members of the Board prior to when their meetings were due to be held.

This information, which by law must be opportunely disclosed to the public securities market, is opportunely published in the form of relevant information, through the Colombian Superintendency of Finance. This information is also simultaneously published on the Company's website www.gruposura.com

16. Board Committee Activities:

These Committees provide support to the Board of Directors in carrying out their specific functions and each have their own rules and regulations that define their functions and proper working order. The Board of Directors of Grupo SURA has four (4) Committees, which serve as support to the Board in carrying out specific functions. Each one has its own rules and regulations that address the matters that fall under their individual scope and their proper working order is regulated.

17. Board of Director and Senior Management Performance Evaluations:

The Board of Directors self-assesses its own performance and that of its Committees on an annual basis. The performance self-assessment, that was carried out in 2017, was based on certain formats which allowed for different aspects of the Board's performance to be rated, these including its structure, level of dynamics, intervention matters, roles, responsibilities and its relations with Senior Management. The results obtained were amply discussed by the members of the Board at a meeting that was held in December without any members of the Senior Management attending. The most relevant comments and recommendations produced as a result are listed below:

- Continue with the strategic planning process and monitor its implementation.
- Provide more in-depth analysis of today's business environment in all those countries where Grupo SURA is present.
- Special mention was also made of studying new emerging trends.
- Continue reviewing the profitability of different lines of business, with a view to providing added value.

The Board at this same meeting also evaluated Senior Management's performance, as a result of which the Company's Chief Executive Officer and his team were congratulated on the manner in which they have been able to steer the Company amid what have been very challenging circumstances, thus allowing it to fulfil the goals set while at the same time achieving excellent results.

With regard to the external performance evaluation that is carried out every two years, in 2017 the firm AT Kearney was selected to conduct this evaluation of the Board's performance in 2016 and the progress made with regard to the findings of previous annual evaluations carried out by the firm, Prospecta. This evaluation focused on various dimensions concerning the Board, such as its structure, coordination, interaction and focus on strategy.

The main results and recommendations produced included the following:

- Need to consider incorporating more diversity in board member profiles.
- Provide opportunities for interacting with outside experts of a more global stature who could offer the Company more challenging viewpoints.
- Given the Board's extensive involvement in the Company's strategy, the decision-making process could be strengthened.
- Relationships of respect and trust among the board members are amply evidenced, making for more open and constructive discussions.
- The Board has comprehensive risk management tools in place, in addition to periodically updating the Company's risk map.

V. RELATED PARTY TRANSACTIONS

1. Board of Director attributions with regard to third-party transactions and conflicts of interest:

Grupo SURA's Board of Directors is the highest governing body in charge of discussing and drawing up strategic and general-purpose guidelines with regard to handling transactions between related parties, ensuring that these are always carried out with the utmost transparency, fairness and impartiality while correctly handling any possible conflicts of interest that could arise.

The Board is also responsible for unanimously authorizing the Company when it comes to issuing guarantees or endorsing obligations on the part of related companies as well as ascertaining and managing conflicts of interest that arise between the Company and its shareholders, members of the Board of Directors and the Senior Management team.

As part of the work plan scheduled for 2018, effective procedures shall be structured in order to allow for clearly identifying, authorizing and disclosing all those transactions carried out between related parties, so as to ensure that the Company's procedures become increasingly more transparent and aligned with the best possible practices as well as any new requirements that are due to be ushered in by the new Financial Conglomerate Act (Law 1870 of 2017).

2. Main transactions carried out with related parties:

Through the *Business Group's Special Report* and its financial statements, the Company discloses the main contractual agreements and the more important transactions carried out with its affiliates and subsidiaries at year end.

3. Conflicts of interest and how they were dealt with by the members of the Board in 2017:

Member of the Board	Summary of the Case in Hand
Jaime Bermúdez Merizalde	Mr. Bermudez abstained from commenting on the review conducted on Bancolombia's results for November, specifically with regard to a matter concerning one of the Bank's debtors, for whom Mba-Lazard Investment Bank, on whose Board of Directors Mr. Bermudez serves as Chairman, acts as consultant.
Luis Fernando Alarcón Mantilla	Mr. Alarcón abstained giving his opinion on filling a position on the Company's Senior Management team, given the fact that the candidates for said position belonged to other companies on which Mr. Alarcon serves as a member of their Boards of Directors.
Jorge Mario Velásquez	Mr. Velásquez refrained from commenting and deciding on an amendment to be made to the Prospectus for the Issuance and Placement of Preferred Stock that was submitted for the consideration of the General Assembly of Shareholders at their Annual Meeting held in 2017, given the shares that this Director held at that time.

4. Mechanisms for resolving conflicts of interest between companies belonging to the SURA Business Group and how these were applied in 2017:

Transactions between the companies belonging to the SURA Business Group are carried out pursuant to the guidelines contained in the Related Party Transaction Policy Framework. Nevertheless, should a conflict of interest arise in the normal course of business between our different companies, the conflict resolution mechanism provided for in our Code of Good Governance, which states that the parties must, in the first instance, try to resolve the situation directly and should this not be possible, present the case before the Audit Committee made up exclusively of independent members, who shall be empowered to resolve the situation. No conflicts of interest occurred in 2017 between our companies that would otherwise have required resorting to the aforementioned procedure.

VI. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

1. Explanation of the Company's or Conglomerate's Internal Control System (ICS).

The Internal Control System is made up of a series of activities that ensure that the Company obtains a reasonable degree of operating security, thus allowing it to attain its objectives in a lawful and transparent manner. For this purpose, Grupo SURA has a set of regulations and policies in place aimed at managing and mitigating risk, preventing fraud and adequately handling information, among others.

Grupo SURA's Internal Control System is evaluated under the 2013 Coso Control standard, by the Company's own Internal Auditing staff and monitored every quarter by the Audit and Finance Committee, which subsequently offers a series of recommendations to the Board of Directors for the entire Business Group, for which follow-up and control plans are subsequently drawn up. Furthermore, the Board of Directors of each subsidiary monitors its own Internal Control System in much greater detail and depth and reports the most relevant findings to Grupo SURA's Audit and Finance Committee.

A more detailed report on the Group's Internal Control System can be found on the Management Report presented by the Company's Chief Executive Officer and Board of Directors.

VII. General Assembly of Shareholders.

1. Differences between the minimum requirements defined by current legislation and those stipulated in the Company's by-laws governing the Company's General Assembly of Shareholders:

In 2017, Grupo SURA maintained the guarantees and rights of its shareholders as stipulated in the regulatory amendments made in 2015, which are included in the Company's by-laws, the Rules and Regulations governing the General Assembly of Shareholders and the Company's Code of Good Governance, as relating to exclusive and non-delegable powers granted to shareholders, the right to perform specialized audits, a longer term for giving prior notice of shareholder meetings.

2. Measures adopted during the year to encourage shareholder participation and shareholder communication channels:

During 2017, the Company ensured that opportune, accurate and sufficient information was made available to its shareholders on its website, and the notice calling for the Annual Shareholders Meeting was made 30 calendar days in advance.

Furthermore, a power of attorney form was provided to the shareholders thereby facilitating their representation at this meeting and telephone and webcast conferences were staged for shareholders, analysts and the general public for the purpose of presenting the Company's quarterly earnings reports.

Similarly, Grupo SURA provided all of its shareholders with fair and equal treatment, allowing and encouraging them to exercise their rights, providing them with free access to the Company Secretary; participating in quarterly events at which the shareholders and the general public are informed of the progress made by the Organization; making recommendations with regard to the Company's corporate governance; and receiving clear, accurate and timely information regarding the Company's financial and non-financial results.

3. Shareholder information and communications:

Shareholders may lodge their concerns regarding the Company and receive information about their shares, dividend payment dates and share certificates, etc. by contacting the Company Secretary's Office as well as Fiduciaria Bancolombia's Shareholder Office. Also an Investor Relations Office has been set up at the following address: Carrera 43A #5A - 113, in Medellin, which can be contacted via the following email addresses: gruposura@gruposura.com.co; ir@gruposura.com.co, or via toll-free line: 018000521555

A schedule of corporate events has been made available on Grupo SURA's website www.gruposura.com, this for the purpose of informing shareholders, investors and the market in general of when we shall be providing information regarding the Group's performance and its financial results.

This schedule contains the more important dates with regard to:

- General Assembly of Shareholders.
- Dividend payment periods.
- Results published on the website of Colombian Superintendency of Finance.
- Meetings or presentations where the quarterly results are due to be disclosed to the market at large.

4. Number of requests for information received by the Company from its shareholders:

REQUESTS FOR INFORMATION 2017

ATTENDED	QUANTITY
Visits to Shareholder Offices	43
Telephone calls	387
Total shareholders attended	430
FORMAL REQUESTS RECEIVED	
	QUANTITY
Tax certificates	963
New data updates	4
Change of direct depositor	28
General-purpose certificates	26
Dividend payment information	207
Share transfers outside the stock market	7
Right of petition	3
Past certificates	8
Total requests received	1246

5. Shareholders Meeting Attendance:

The quorum recorded for the Annual Ordinary Meeting of the General Assembly of Shareholders, held on March 31, 2017, which included holders of ordinary and preferred, was as follows:

- **Ordinary shares** Out of a total of 469,037,260 ordinary shares outstanding 432,847,362 were represented in the Annual Shareholders' Meeting, that is to say 92.28% of these shares.
- **Preferred shares** Out of a total of 106,334,963 preferred shares outstanding, 88,928,289 shares were represented in the Annual Shareholders' Meeting, that is to say 83.63% of these shares.

6. Main decisions taken by the Shareholders:

The proposals voted on by the General Assembly of Shareholders along with the most important decisions taken by these at their meetings are simultaneously published as relevant information on the website of the Colombian

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Superintendency of Finance as well as on the Company's own website. Here the following decisions and approvals were issued by the Shareholders at their Annual Meeting held in 2017:

- Approval of the Management Report from the Board of Directors and Chief Executive Officer, the Statutory Auditors' Report and the Financial Statements at year-end 2016
- Approval of the updated version of the Share Issuance and Placement Rules and Regulations Corresponding to the Preferred Shares Issued in 2011
- Approval of the Distribution of Dividends corresponding to 2016
- Approval of the fees for the members of the Board of Directors and the Statutory Auditor for the period beginning in April 2017 and ending in March 2018.