

Medellín, March 12, 2018

## Annual Ordinary Meeting of the General Assembly of Shareholders of Grupo de Inversiones Suramericana S.A. to be held on March 23, 2018

To: **The Shareholders of Grupo de Inversiones Suramericana S.A.**  
(ISIN: COT13PA00086, SEDOL1: BMSK715)

Dear Shareholder,

We are pleased to inform you that, as shareholders of Grupo de Inversiones Suramericana S.A. (hereinafter “Grupo Sura” or the “Company”), you shall receive from the Company sufficient and complete information regarding all matters relating to the upcoming Annual Ordinary Meeting of Shareholders, to be held on March 23, 2018, at 10:30 a.m., in Medellín, specifically at the Gran Salón de Convenciones de Plaza Mayor, Calle 41 # 55 – 80., Medellín, Colombia

Grupo Sura’s Investor Relations Department is on hand to answer any questions you may have with regard to attending this meeting or being represented at such as well as providing you with any supplementary information or documents you may require.

Should you have any queries or require further assistance please contact our Investor Relations staff, whose contact details are provided below:

### Investor Relations Contact Information:

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Medellín, Colombia

**GENERAL INFORMATION CONCERNING THE UPCOMING  
ANNUAL ORDINARY MEETING OF SHAREHOLDERS - 2018**

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**Date:** March 23, 2018 at 10:30 AM

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**Venue:** Gran Salón de Convenciones de Plaza Mayor, Calle 41 # 55 - 80, Medellín, Colombia

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**Agenda:** The items contained in the agenda for this meeting can be found on the Company's website.

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**Share registration date:** The shareholders entitled to participate at the Annual Ordinary Meeting shall be those whose shares have been duly recorded in the Company's Shareholder Register at March 23, 2018.

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**Documentation:** The following documents have been made available on Grupo SURA's website: Notice of Meeting, Management Report, Financial Statements at Year-End 2017, Statutory Auditor's Report, Proposed Distribution of Profits, Simplifying of the Company's Corporate Structure, Proposed Appointments to the Board of Directors, Proposed Appointment of the Company's Statutory Auditing Firm, Proposed Fees to be paid to the Board of Directors and Proposed Fees to be paid to the Statutory Auditing Firm.

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## **Proxy Statement**

Grupo Sura has built up an Ethics and Corporate Governance System containing rules and regulations that are mandatory for both the Company as well as the companies that make up the SURA Business Group. This Ethics and Corporate Governance System also establishes clearly defined mechanisms to ensure that such rules and regulations are effectively complied with, as part of the Company's evident commitment to good corporate practices that in turn is reflected in each of the countries where Grupo SURA and its Subsidiaries are present, this while maintaining an all-abiding respect for the law.

So far, we are the only Latin American company from the Diversified Financial Service Sector to be admitted to the Dow Jones Sustainability Index (DJSI), which tracks companies who have become global benchmarks thanks to the best practices they have adopted from the economic, environmental and social standpoints.

At the upcoming Annual Ordinary Meeting of Shareholders, Grupo Sura's Board of Directors and Senior Management shall be presenting our Shareholders with the following proposals for their due consideration and approval:

### **I. Management Report from the Company's Board of Directors and Chief Executive Officer and Presentation of the Financial Statements - Items 7 and 8 of the meeting's agenda**

By law, specifically that stipulated in Article 446 of Colombia's Code of Commerce, the Company's Board of Directors and Legal Representative must submit to the shareholders, for their corresponding approval, the financial statements as well as other documents including the Management Report addressing the main events and developments that took place in 2017 from the standpoint of different stakeholder groups.

### **II. Proposed Distribution of Profits - Dividends to be paid in cash in 4 equal installments, setting up reserves and allocating funds for social outreach programs - Item 9 of the meeting's agenda.**

- **New Proposed Distribution of Profits to be paid out entirely (100%) in cash.**

Bearing in mind that the price of the Company's preferred, non-voting shares, as traded over the last few days, does not reflect the value that these are estimated to have, the Board of Directors does not consider it expedient for shareholder dividends to be paid in the form of shares, and instead has submitted a new Profit Distribution Proposal whereby dividends would be paid entirely (100%) in cash.

This new proposal provides for a dividend payment of COP 518.00 per share, payable in four (4) installments of COP \$ 129.50 each, on April 2, July 3, October 1, 2018 and January 2, 2019.

The proposed dividend represents an increase of 6.15% compared to that received the previous year and is 2.06% higher than the change to the Colombian Consumer Price Index as recorded for 2017.

Lastly, the aforementioned Profit Distribution Proposal includes setting up a reserve for financing social outreach projects, using funds to be appropriated from the Company's Occasional Reserve which was set up using profits obtained until December 31, 2016.

- Tax Considerations

The recent tax reform, namely Law 1819 of 2016, provided for an additional tax on distributed dividends corresponding to profits obtained as of 2017, and shall apply to resident and non-resident natural persons and foreign companies.

This new dividend tax shall be levied at a rate of five percent (5%) for non-resident natural persons and foreign companies, and from zero (0%) to ten percent (10%), depending on the amount of the dividend to be paid out in the case of resident natural persons. This new tax applies regardless of whether the dividend is sourced from taxed or non-taxed profits.

Here, since non-taxed profits obtained until December 31, 2016 are to be distributed, the new dividend tax shall not apply, and consequently they would be given the same treatment as for tax exempt dividends from the standpoint of both income and occasional gains tax payable on the part of the shareholder.

As for local taxes, the aforementioned tax reform provides for income obtained from investment activities to be subject to municipal or district taxes wherever the headquarters of the investee company should be located. Consequently, dividends shall be subject to Industry and Commerce tax (known as "ICA" in Spanish) in the place where the Company distributing said dividends has its registered place of business.

Grupo SURA is domiciled in the Municipality of Medellín and acts as a withholding agent for the aforementioned Industry and Commerce Tax. It must therefore withhold the amount of tax due in this respect on the dividends to be paid out, which as a general rule comes to 0.2% but can increase to 0.5% in the case of persons or legal entities who are either non-resident or who do not have a presence in Colombia.

### III. Simplifying the Company's corporate structure - presenting and approving a commitment to merge on the part of Grupo de Inversiones Suramericana S.A. (the absorbing company) and its subsidiaries: Gruposura Finance and Grupo de Inversiones Suramericana Panamá (the companies to be absorbed) - Item 10 of the meeting's agenda

A proposal corresponding to the presentation and approval of a commitment to merge on the part of Grupo Sura (the absorbing company) and its foreign-based subsidiaries Gruposura Finance and Grupo de Inversiones Suramericana Panamá S.A. (the companies to be absorbed).

The purpose of this merger is not only to concentrate the efforts of all three parties involved in one single entity, but to take advantage of all available resources for a greater and more efficient operating performance. It also seeks to reduce the administrative burdens and the different transaction costs between the companies, thereby optimizing resources from the very outset. Furthermore, simplifying its corporate structure would entail economic and administrative benefits for Grupo SURA, its shareholders, as well as different stakeholder groups.

The aforementioned merger would not entail any amendments to be made to Grupo SURA's Articles of Incorporation nor would it change the value of Grupo SURA's stock or share capital, since this merger would involve taking over companies which are wholly owned (100%) by Grupo SURA. Consequently, there would be no exchange of shares and Grupo SURA's shareholders shall not see their stakes in the acquiring company be altered in any way whatsoever.

Regarding this proposal, it is important to note that, in accordance with the philosophy underpinning the Financial Conglomerate Act (Law 1870 of 2017), corporate structures must tend towards being simple and straightforward, thereby facilitating the oversight and control functions of the regulatory authorities in the different jurisdictions.

#### **IV. Considerations regarding shareholder withdrawal rights**

The Company has determined that the aforementioned merger shall not give rise to any shareholder right of withdrawal based on the following factors. In accordance with that provided in Law 222 of 1995, shareholders may only exercise their withdrawal rights in the event of any business transformation, merger or split that imposes a greater liability on the shareholders or partners or impairs their economic rights. In this respect the aforementioned Law considers shareholder economic rights to be impaired when (i) the percentage stakes held by the shareholders in the company's share capital are reduced; (ii) the share's equity or nominal value is reduced due to the Company's share capital being lowered; and (iii) when trades are in any way limited or reduced

It is to be noted that the merger commitment to be approved by the General Assembly of Shareholders as contained in the aforementioned item above, does not entail any of the mentioned consequences, since the companies to be absorbed are wholly (100%) owned by Grupo SURA, and hence we consider there to be no grounds for shareholders to exercise any right to withdraw, as contemplated in Law 222.

#### **V. Appointments to the Board of Directors - Item 12 of the meeting's agenda**

The following are the nominees to be reappointed as members of the Board of Directors for the period 2018 to 2020, along with certain information concerning the structure and performance of said governing body for the year 2017:

##### **A. Nominees**

Name	Current position	Age (Years)	Tenure (Years)	Status			Member of other Boards of Directors	Member of Board Committees			
				Ind	NE	Ex		SG	AF	R	AR
<b>Luis Fernando Alarcón Mantilla</b>	Chairman Almacenes Éxito S.A.	66	3	✓	-	-	- Almacenes Éxito S.A. - EMGESA S.A. ESP - Frontera Energy Corp.	-	✓	-	✓
<b>Jaime Bermúdez Merizalde</b>	CEO MBA Lazard (Col)	51	7	✓	-	-	- Tecnoquímicas S.A. - Amarilo S.A.S.	-	✓	✓	-
<b>Carlos Antonio Espinosa Soto</b>	CEO Racafé	68	5	✓	-	-	- Inversiones Bejuquero S.A. - Inversiones Macaguana S.A. - Inversiones Laurelco S.A.S.	-	✓	-	-
<b>Sergio Pablo Michelsen Jaramillo</b>	Partner Brigard & Urrutia Asociados.	57	3	✓	-	-	- ITAÚ BBA Colombia S.A. Corporación Financiera - Grupo SEMANA S.A. - Brigard & Urrutia S.A.S.	✓	-	✓	-

<b>Jorge Mario Velásquez Jaramillo</b>	CEO Grupo Argos S.A.	57	3	-	✓	-	- Cementos Argos S.A. - CELSIA S.A. ESP - ODINSA S.A.	✓	-	-	✓
<b>Carlos Ignacio Gallego Palacio</b>	CEO Grupo Nutresa S.A.	53	4	-	✓	-	- Grupo Argos S.A. - Estrella Andina S.A.S. - La Recetta S.A. - Tres Montes Lucchetti	✓	-	-	✓
<b>Alejandro Piedrahíta Borrero</b>	CFO Grupo Argos S.A.	45	2	-	✓	-	- CELSIA S.A. ESP - ODINSA S.A. - Aceros Mapa S.A. - Banco Banistmo (Panamá)	-	-	✓	-

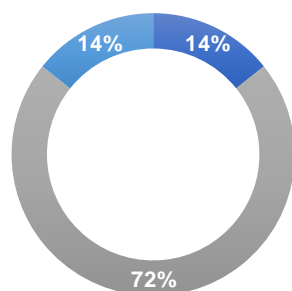
#### ABBREVIATIONS

Ind : Independent - NE: Non-executive - Ex : Executive

SG: Sustainability and Corporate Governance Committee - AF: Audit and Finance Committee - R: Risk Committee - AR: Appointments and Retributions Committee.

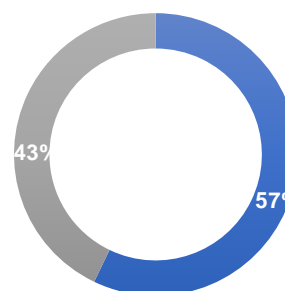
### B. Board of Directors Performance for the year 2017

#### AVERAGE TENURE ON THE BOARD OF DIRECTORS



■ 0 - 2 years ■ 3 - 5 years ■ 6 - 8 years

#### MEMBERS OF THE BOARD OF DIRECTORS



■ Independent ■ Non-Executive

#### AVERAGE TENURE

**3.85** YEARS

#### # OF INDEPENDENT MEMBERS

**4** OF 7

**WE DON'T HAVE EXECUTIVE MEMBERS IN THE BOARD OF DIRECTOS**

### C. Experience – Board of Directors 2017

DIRECTOR	Luis Fernando Alarcón Mantilla	Jaime Bermúdez Merizalde	Carlos Antonio Espinosa Soto	Sergio Pablo Michelsen Jaramillo	Jorge Mario Velásquez Jaramillo	Carlos Ignacio Gallego Palacio	Alejandro Piedrahíta Borrero
PROFESSION	Civil Engineer	Lawyer	Economist	Lawyer	Civil Engineer	Civil Engineer	Business Administration
AREA OF SPECIALTY	Business Management	Public Opinion	Comprehensive Management	M&A, Wealth Management, Technology, Media and Entertainment	Business Management	Business Management	Finance
RISKS AND CRISIS MANAGEMENT	✓	✓	✓	✓	✓	✓	✓
CORPORATE FINANCE	✓	-	✓	-	✓	✓	✓

REGULATORY FRAMEWORK	✓	-	-	✓	-	-	✓
SPECIFIC INDUSTRY KNOWLEDGE	✓	-	✓	-	-	-	-
M&A	✓	✓		✓	✓	✓	✓
PUBLIC SECTOR &/OR GOVERNMENT	✓	✓	-	-	-	-	-
RESPONSIBILITIES WITH INTERNATIONAL REACH	✓	✓	✓	✓	✓	✓	✓
HUMAN TALENT	✓	-	✓	-	-	✓	-
EVALUATION OF MANAGEMENT CHARTS	✓	-	✓	-	-	✓	✓
INTERNATIONAL BUSINESS AND TRANSACTIONS	✓	-	-	✓	✓	✓	✓
SUSTAINABILITY Environmental Component	✓	-	✓	-	✓	✓	-
SUSTAINABILITY Social Component	✓	-	-	-	✓	✓	-
SUSTAINABILITY Corporate Governance	✓	-	-	✓	-	✓	✓

## Highlights

- Board Committees**
  - i) Sustainability and Corporate Governance Committee, ii) Audit and Finance Committee, iii) Risk Committee, iv) Appointments and Remuneration Committee.
- Sustainability and Corporate Governance Committee:**

The previous Corporate Governance Committee was reconfigured and assigned responsibilities with regard to the Organization's sustainability, in keeping with the importance this has in terms of its overall strategy.
- Academic training:** The Directors received training in strategy, trend and risk management, innovation and business knowledge from international experts and outside partners of international renown such as the Singularity University.
- Board Meetings:** The Board of Directors met on 19 occasions, 12 of which were personally attended and the remaining 7 for which votes were cast in writing.
- Attendance Rates:** The average attendance rate for Board of Director meetings came to 98% with that of Board Committees reaching 100%.
- External Performance Evaluation** The firm AT Kearney carried out an external performance evaluation of the Board of Directors. (The results of which can be found at the following link: [www.gruposura.com](http://www.gruposura.com))

- The Chairman and Vice Chairman of the Board of Directors enjoy an independent status.

#### **VI. Appointing the Company's Statutory Auditor - Item 13 of the meeting's agenda**

Based on an assessment carried out by the Evaluation Committee for the purpose of selecting auditing firms to act as the Company's Statutory Auditor, the Board of Directors of Grupo SURA, upon the recommendation of its Audit and Finance Committee, having ascertained in full detail the assessment carried out by the aforementioned Evaluation Committee, shall submit for the consideration of the General Assembly of Shareholders the appointment of Ernst & Young Audit S.A.S. as Grupo SURA's Statutory Auditing firm for the fiscal years of 2018 and 2019.

#### **VII. Setting the fees to be paid to the members of the Board of Directors - Item 14 of the meeting's agenda**

The amount of fees proposed by several Shareholders to be paid to the members of the Board of Directors shall be submitted for due consideration and approval on the part of the General Assembly of Shareholders. These fees consist of COP 7,200,000 per month and were based on the criteria for setting the fees for said governing body as laid out in the Appointment, Remuneration and Succession Policy of the Board of Directors and which represents a 4.35% increase compared to fees paid in 2017. This policy can be consulted at [www.gruposura.com](http://www.gruposura.com).

For the support Committees to the Board of Directors, it will be proposed to the Assembly to establish for the same period, a remuneration equivalent to the fees received as Directors, for each Committee meeting attended.

Additionally, a total annual running expense shall be proposed for the Board of Directors as applicable for the period 2018 to 2019, this consisting of COP \$ 1,200,000,000.

#### **VIII. Setting the fees to be paid to the Statutory Auditor - Item 15 of the meeting's agenda**

A total of COP 265,360,000 in proposed annual fees for the Company's Statutory Auditing firm for the period 2018 - 2019, which represents a 4.09% increase as compared to the fees paid for the period 2017-2018, shall also be submitted for the consideration of the Shareholders.

Thank you in anticipation of your kind interest, participation and support in the upcoming Annual Ordinary Shareholders' Meeting.



## **APPENDIX 1 - Agenda**

The following agenda shall be submitted for the consideration of the Company's General Assembly of Shareholders:

1. Verification of the quorum
2. Reading out and approving the meeting's agenda
3. Appointing a commission in charge of ballot-counting as well as approving and signing the minutes of this meeting.
4. Management Report from the Board of Directors and Chief Executive Officer
5. Presentation of the Financial Statements for the year ended December 31, 2017
6. Statutory Auditors' Report
7. Approving the Management Report from the Board of Directors and Chief Executive Officer
8. Approving the Financial Statements for the year ended December 31, 2017
9. Proposed Distribution of Profits - Payment of dividends in cash in four (4) installments, setting up reserves and allocating funds for social outreach programs.
10. Streamlining the Company's corporate structure - presenting and approving a commitment to merge on the part of Grupo de Inversiones Suramericana S.A. (the absorbing company) and its subsidiaries: Gruposura Finance and Grupo de Inversiones Suramericana Panamá S.A. (the companies to be absorbed)–.
11. Considerations regarding shareholder withdrawal rights
12. Appointing the members of a new Board of Directors
13. Appointing the Company's Statutory Auditor:
14. Setting the fees to be paid to the members of the Board of Directors
15. Setting the fees to be paid to the Statutory Auditor